



DAVID SANDERS, Ph.D.
Director

County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

December 6, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Board of Supervisors

GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

APPROVE CONTRACT WITH PACIFIC TOXICOLOGY LABORATORIES FOR URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Contract with Pacific Toxicology Laboratories for Urine Sample Collection/Drug and Alcohol Testing Services, commencing January 1, 2006 through December 31, 2006, with options to extend the Contract for two one-year periods. The Maximum Contract Sum is \$3,000,000, if both of the optional one-year extensions are exercised, and will be financed using approximately \$2,175,000 Federal revenue, \$507,000 State revenue and \$318,000 NCC. The Maximum Annual Contract Sum is \$1,000,000. The cost of the Contract in FY 2005-06 is \$500,000 which will be financed using \$300,000 Federal revenue, \$70,000 State revenue, and \$130,000 NCC. \$30,000 of \$130,000 NCC is included in the Department of Children and Family Services' (DCFS) FY 2005-06 Budget, and \$100,000 is included in Provisional Financing Uses (PFU). A budget adjustment is needed to transfer the \$100,000 to DCFS' FY 2005-06 Administration Budget. There is no impact on NCC in the County's overall FY 2005-06 Adopted Budget.
2. Approve the attached Request for Appropriation Adjustment (Attachment B) to transfer \$100,000 appropriation and NCC from PFU to DCFS' FY 2005-06 Administration Budget to fully finance the Contract for FY 2005-06.
3. Delegate authority to the Director of DCFS, or the Director's designee, to execute contract amendments to the Contract with Pacific Toxicology Laboratories, to increase or decrease the maximum contract amount by no more than 10% per year and in the aggregate above the original Maximum Contract Sum during the term of

this Contract. Such amendments shall be based solely on increases or decreases in the units of service needed and will be effective the date of execution of the amendment, provided that the Board of Supervisors appropriates sufficient funds for all changes in each amendment, approval of County Counsel and the Chief Administrative Office (CAO) is obtained prior to executing such amendment, and that the Director notify your Board and the CAO in writing within 10 working days after execution.

4. Delegate authority to the Director of DCFS, or the Director's designee, to execute the Contract amendments to exercise the two one-year extension options provided that the Board of Supervisors appropriates sufficient funds for the extensions, approval of County Counsel and the CAO is obtained prior to executing such amendment, and the Director notify your Board and the CAO in writing within 10 working days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The current contract for urine sample collection/drug and alcohol testing services expires on December 31, 2005. The recommended actions will ensure services continue without interruption. The Contract with Pacific Toxicology Laboratories will provide drug and alcohol testing for a substantial number of parents and primary caregivers whose excess alcohol and/or drug consumption has hampered their ability to care for their children.

These services provide DCFS with a tool to assist with determining whether or not children are safe in the home of their parents or caregivers or can be safely returned to their parents or caregivers when either in the past or present, substance abuse has been an identified factor in the child abuse or neglect allegation. Drug and alcohol testing services result in a reduction in the number of children requiring placement in out-of-home care and assist in the timely reunification of families. This is consistent with DCFS' goals to improve safety, improve permanence and reduce reliance on detention.

The Urine Sample Collection/Drug and Alcohol Testing program is expected to assist DCFS in achieving outcomes designed to ensure the safety of children in its care. Achievement will be measured by 100% completion of the services described in the contract. DCFS will review progress reports submitted by Contractor and solicit feedback from DCFS' Executive Management Team to ensure contract compliance and achievement with desired program results.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal No. 1 (Service Excellence) and Goal No. 5 (Children and Families' Well-Being). The recommended actions will enable DCFS to continue efforts to improve the health, safety and survival, emotional and social well being of children and families in Los Angeles County.

FISCAL IMPACT/FINANCING

The Maximum Contract Sum is \$3,000,000, if both of the optional one-year extensions are exercised, and will be financed using approximately \$2,175,000 Federal revenue, \$507,000 State revenue and \$318,000 NCC. The Maximum Annual Contract Sum is \$1,000,000. The cost of the Contract in FY 2005-06 is \$500,000 which will be financed using \$300,000 Federal revenue, \$70,000 State revenue, and \$130,000 NCC. \$30,000 of \$130,000 NCC is included in the DCFS' FY 2005-06 Budget, and \$100,000 is included in Provisional Financing Uses (PFU). A budget adjustment is needed to transfer the \$100,000 to DCFS' FY 2005-06 Administration Budget. There is no impact on NCC in the County's overall FY 2005-06 Adopted Budget.

About \$9.7 million is set-aside in the FY 2005-06 PFU to fund a variety of one-time costs for DCFS. \$100,000 of that \$9.7 million will be transferred to the DCFS FY 2005-06 Administration Budget to fully finance the Contract for FY 2005-06. The attached Request for Appropriation Adjustment will transfer \$100,000 from PFU to the DCFS Administration Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since 1996, the Department has required persons suspected of drug and/or alcohol addictions who are parents or primary caregivers of children receiving DCFS services to provide urine samples for drug testing.

Urine sample collection/drug and alcohol testing is required where parents or primary caregivers of children receiving DCFS services are suspected of illicit drug and/or alcohol addictions and the children have been assessed to be safe in the home of their parents or primary caregivers so long as these caregivers are not consuming illicit drugs or excess amounts of alcohol. Often, this is a final attempt to avoid out-of-home placement of children (or to facilitate the reunification of children who have been placed out-of-home) where an assessment has been made that the parents or primary caregivers have a drug or alcohol addiction.

At the time of release of the Invitation for Bids (IFB), the solicitation indicated a budgeted amount of approximately \$950,000 annually for the Contract. Since then, the budgeted amount was increased to \$1,000,000 annually which is the maximum annual contract sum reflected in the Contract. The bid submitted by Pacific Toxicology Laboratories (the only bidder) was \$1,055,928 annually based on an estimate of 49,200 tests per year. Therefore, the funding currently budgeted for this contract will not support the volume of tests estimated at this time. If the volume of tests needed increases to the level anticipated, the Department will need to identify funding to redirect to this Contract and amend the Contract to increase the maximum contract sum.

The term of the Contract with Pacific Toxicology Laboratories is from January 1, 2006 to December 31, 2006, with two one-year extension options. The Contract provides that the County has no obligation to pay for expenditures beyond the contract amount. Further, Pacific Toxicology Laboratories will not be asked to perform services that exceed the contract amount, scope of work, or contract dates. The Contract allows the County to impose funding increases and decreases as the County deems necessary.

DCFS has determined that this is a non-Prop A contract. While there are laboratories in the County capable of testing urine samples, it was found that there are no source for the specific laboratory testing and scope that is required in the contract. Over the years, DCFS has inquired with the Department of Health Services (DHS) and informed that they are not staffed or equipped to service our department requirements for urine testing for drugs and alcohol. Further, DCFS does not hold any positions for hiring of appropriate staff for this service.

The Contract includes updated provisions and attachments, such as American Disabilities Act (ADA); Child Abuse Prevention Reporting; Child Support Compliance Program; Consideration of Greater Avenues for Independence (GAIN) or General Relief Opportunities for Work (GROW) Participants for Employment; Consideration of Hiring County Employees Targeted for Layoff or on Reemployment List; Contractor Responsibility and Debarment; Contractor's Charitable Activities Compliance; Former Foster Youth Consideration; Federal Earned Income Credit; Mandatory Requirement to Register on County WebVen; Safely Surrendered Baby Law; and Compliance with Jury Service Program.

In addition, the Contract provides for termination for improper consideration and for non-adherence of County Lobbyist Ordinance.

The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Contract.

The Honorable Board of Supervisors
December 6, 2005
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The CAO and County Counsel have reviewed and approved this Board Letter. County Counsel has reviewed and approved the attached Contract as to form. The Contractor is in compliance with all Board and CAO requirements.

CONTRACTING PROCESS

An Invitation for Bids (IFB) was released August 9, 2005. The solicitation process included advertisements through newspapers as well as posting on the "Doing Business With Us" Website. In addition, the Department utilized the Los Angeles County list of vendors as well as the Internet website to identify and solicit bids from firms that might be qualified. Notices of IFB Release were mailed out to approximately 110 prospective bidders. Seven of these prospective bidders attended the Bidders Conference. On September 19, 2005, one vendor, Pacific Toxicology Laboratories, submitted a bid. The bid was found responsive and responsible.

The other six vendors who attended the Bidders Conference declined to submit bids because they could not offer competitive bid prices; they provide limited services and their resources are inadequate for the scope and nature of this services.

The contracting process is in compliance with all regulations pertaining to Chapter 2.121.250 et seq. of the County Code, Contracting with Private Businesses. The requirements of County Code Section 2.121.380 have been met. Accordingly, the Department recommends that the Board approve and instruct the Chair to sign the attached Contract with Pacific Toxicology Laboratories, Inc.

No provision for a COLA has been included in this Contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This program provides a valuable tool for assessing drug and alcohol abuse by parents and primary caregivers of children in the care of DCFS. Should this Contract not be executed, the ability of CSWs to identify contributing causes of abuse and neglect of children will be hampered.

Currently, there are approximately 2,700 parents or primary caregivers that are tested on a monthly basis for drug and alcohol abuse. Due to the frequent drug and alcohol testing of parents and caregivers, significant number of the children under their care are assessed to be safe at home or can be safely reunited with their family. Testing helps to avoid having a significant number of children placed in out-of-home care.

CONCLUSION

Upon execution by the Chair of the Board, please instruct the Executive Officer/Clerk of the Board to send an executed copy of the adopted Board Letter and any attachments to:

1. Department of Children and Family Services
Contracts Administration
Attention: Walter Chan, Manager
425 Shatto Place, Room 400
Los Angeles, CA 90020
2. Office of the County Counsel
Social Services Division
Attention: David Beaudet, Deputy County Counsel
201 Centre Plaza Drive, Suite One
Monterey Park, CA 91754
3. Pacific Toxicology Laboratories
Attention: Thomas Kosco, Chief Executive Officer
9348 De Soto Avenue
Chatsworth, CA 91311

Respectfully submitted,

DAVID SANDERS, Ph.D.
Director

DS:WC:RR:aml

Attachments (2)

c: Chief Administrative Officer
Auditor-Controller

CONTRACT
BY AND BETWEEN
COUNTY OF LOS ANGELES



AND
PACIFIC TOXICOLOGY LABORATORIES
FOR
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES

Department of Children and Family Services (DCFS)
Contracts Administration
425 Shatto Place, Room 400
Los Angeles, California 90020

JANUARY 2006

COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES
CONTRACT

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EXHIBIT A: STATEMENT OF WORK

Exhibit A-1: Performance Requirement Summary

Exhibit A-2: User Complaint Report

Exhibit A-3: Pricing Schedule

Exhibit A-4: Line Item Budget

EXHIBIT B: ATTACHMENTS

Attachment A	Auditor-Controller Contract Accounting and Administration Handbook
Attachment B	Internal Revenue Notice 1015
Attachment C	Jury Service Program Certification and Los Angeles County Code 2.203 (Jury Service Program)
Attachment D	Safely Surrendered Baby Law Fact Sheet
Attachment E	CONTRACTOR's Administration
Attachment F	COUNTY's Administration
Attachment G	Charitable Contributions Certification
Attachment H	Independent Price Determination
Attachment I	Policy on Doing Business with Small Business
Attachment J	Child Support Compliance Program Certification
Attachment K	Guidelines for Federal Workplace Drug Testing Program
Attachment L	Contractors Obligation under HIPAA
Attachment M	Listing of Priority ZIP Code Areas for Collection Sites
Attachment N	Sample DCFS Forms for Urine Sample Collection/Drug and Alcohol Testing Services
Attachment O	CONTRACTOR's Equal Employment Opportunity (EEO) Certification
Attachment P	Community Business Enterprise Form (CBE)

Attachment Q	CONTRACTOR's Employee Acknowledgement and Confidentiality Agreement
Attachment R	CONTRACTOR's Non-Employee Acknowledgment and Confidentiality Agreement

Contract Number: _____

COUNTY OF LOS ANGELES
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES

CONTRACT
FOR

Urine Sample Collection/Drug and Alcohol Testing Services (hereinafter referred to as "Contract").

This Contract is made and entered into this ____ day of _____ 2005, by and between

County of Los Angeles
hereinafter referred to as
"COUNTY"

and

Pacific Toxicology Laboratories
hereinafter referred to as
"CONTRACTOR".

RECITALS

WHEREAS, pursuant to Government Code Sections 26227, 31000 and 53703, COUNTY is permitted to contract for services, and

WHEREAS, the COUNTY desires to provide urine sample collection/drug and alcohol testing services; and

WHEREAS, COUNTY has determined that the services to be provided under this Contract are of an extraordinary and professional nature; and

WHEREAS, pursuant to the provisions of COUNTY policy and under authority granted by the Children's Court for Los Angeles County, the Department of Children and Family Services is designated to establish and administer a program of substance abuse and alcohol testing for parents of children under the care and authority of the Department; and

WHEREAS, CONTRACTOR warrants that it possesses the competence, expertise and personnel necessary to provide such services,

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto do agree as follows:

PART I: UNIQUE TERMS AND CONDITIONS

1.0 APPLICABLE DOCUMENTS AND DEFINED TERMS

- 1.1 This Contract and the Exhibits hereto, constitute the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Part II, Section 7.0, "Changes and Amendments" and signed by both parties.
- 1.2 Attachments A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q and R set forth below, are attached to and incorporated by reference in this Contract.
- 1.3 The headings, page numbers, sections, and sub-section numbers contained in this Contract are for convenience and reference only and are not intended to define the scope of any provision herein.
- 1.4 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, contents or description of any task, deliverable, product, service, or other work between this Contract, Statement of Work, and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to the Contract and then the Exhibits and Attachments, according to the following priority:

Exhibit A	Statement of Work
Exhibit A-1	Performance Requirement Summary
Exhibit A-2	User Compliant Report
Exhibit A-3	Pricing Schedule
Exhibit A-4	Line Item Budget
Attachment A	Auditor-Controller Contract Accounting and Administration Handbook
Attachment B	Internal Revenue Notice 1015
Attachment C	Jury Service Program Certification and Los Angeles County Code 2.203 (Jury Service Program)
Attachment D	Safely Surrendered Baby Law Fact Sheet
Attachment E	CONTRACTOR's Administration
Attachment F	COUNTY's Administration
Attachment G	Charitable Contributions Certification

Attachment H	Independent Price Determination
Attachment I	Policy on Doing Business with Small Business
Attachment J	Child Support Compliance Program Certification
Attachment K	Guidelines for Federal Workplace Drug Testing Program
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Attachment M	Listing of Priority ZIP Code Areas for Collection Sites
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Attachment P	Community Business Enterprise Form (CBE)
Attachment Q	CONTRACTOR's Employee Acknowledgment and Confidentiality Agreement
Attachment R	CONTRACTOR's Non-Employee Acknowledgment and Confidentiality Agreement

1.5 The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. "Contract" – means an agreement executed between COUNTY and CONTRACTOR. It sets forth the terms and conditions for the issuance and performance of Exhibit A, Statement of Work.
- B. "CONTRACTOR" – means the sole proprietor, partnership, or corporation that has entered into a contract with the COUNTY to perform or execute the work covered by Exhibit A, Statement of Work.
- C. "COUNTY" – means the Department of Children and Family Services on behalf of the County of Los Angeles and its Board of Supervisors.
- D. "COUNTY's Program Manager" (CPM) – means COUNTY representative responsible for daily management of contract operation and the oversight of monitoring activities, compliance with the requirements of the Contract, and the delivery of services.
- E. "Day" or "Days" – means whether singular or plural, whether with initial letter capitalized or not, shall mean calendar days, and not business or workday, unless otherwise specifically stated.

- F. "DCFS" - means COUNTY's Department of Children and Family Services
- G. "Director" - means COUNTY's Director of Children and Family Services or his or her authorized designee.
- H. "Fiscal Year(s)" - means the twelve (12) month period beginning July 1st and ending the following June 30th.
- I. "Program" - means the work to be performed by CONTRACTOR as defined in Exhibit A, Statement of Work.
- J. "Subcontract" - means a contract by which a third party agrees to provide services or materials necessary to fulfill an original contract.
- K. "Subcontractor" – means an organization or individual that enters into a Contract with CONTRACTOR to provide specific program services. Such individuals are not considered employees of CONTRACTOR or COUNTY.

2.0 PARTIES TO THE CONTRACT

The parties to this Contract are the County of Los Angeles, hereinafter referred to as "COUNTY" and Pacific Toxicology Laboratories, hereinafter referred to as "CONTRACTOR."

3.0 TERM AND TERMINATION

- 3.1 The term of this Contract shall commence on January 1, 2006 or date of approval by COUNTY Board of Supervisors, hereinafter referred to as the "Board", and shall continue through December 31, 2006, unless terminated earlier or extended, in whole or in part, as provided in this Contract.
- 3.2 The COUNTY shall have the sole option to extend the Contract term for up to two (2) additional one-year periods, for a maximum total Contract term of three (3) years. Each such option and extension shall be exercised at the sole discretion of the Director.
- 3.3 CONTRACTOR shall notify COUNTY when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, CONTRACTOR shall notify COUNTY, in the manner set forth in Part I, Section 7.0, Notices, of this Contract.

4.0 CONTRACT SUM

- 4.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Contract, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work, and at the rate of compensation set forth in Exhibit A-3, Pricing Schedule.
- 4.2 CONTRACTOR shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the CONTRACTOR's duties, responsibilities, or obligations, or performance of same by any entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the COUNTY's express prior written approval.
- 4.3 CONTRACTOR shall maintain a system of record keeping that will allow CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, CONTRACTOR shall notify COUNTY, in the manner set forth in Part I, Section 7.0, Notices, of this Contract.
- 4.4 CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration or other termination of this Contract. Should CONTRACTOR receive any such payment, CONTRACTOR shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Contract shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Contract.
- 4.5 The total amount payable under this Contract is Three Million Dollars (\$3,000,000), hereinafter referred to as "Maximum Contract Sum". The maximum amount payable under this Contract for each of the contract years shall not exceed One Million Dollars (\$1,000,000), hereinafter referred to as "Maximum Annual Contract Sum".

- 4.6 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Contract, hereinafter referred to as "Budget". Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This Budget is attached hereto and incorporated by reference herein as Exhibit A-4, Line Item Budget. CONTRACTOR represents and warrants that the Budget is true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget. In the event the Maximum Contract Sum is increased pursuant to Part II, Section 7.0, Changes and Amendments, hereof, CONTRACTOR shall prepare and submit an amended Budget.
- 4.7 Time is of the essence with regards to CONTRACTOR's performance of any tasks, deliverables, goods, services, or other work, as specified in this Contract, provided, however, the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Contract.

5.0 INSURANCE REQUIREMENTS

5.1 General Insurance Requirements

Without limiting CONTRACTOR's indemnification of the COUNTY and during the term of this Contract, CONTRACTOR shall provide and maintain, and shall require all of its Subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY. Such coverage shall be provided and maintained at CONTRACTOR's own expense.

- 5.1.1 Evidence of Insurance: Prior to commencing services under this Contract, certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to:

County of Los Angeles
Department of Children and Family Services
Contracts Administration
Attention: Contract Administrator
425 Shatto Place, Room 400
Los Angeles, CA 90020

Such certificates or other evidence shall:

- 5.1.1.1 Specifically identify this Contract;
 - 5.1.1.2 Clearly evidence all coverages required in this Contract;
 - 5.1.1.3 Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) Days in advance of cancellation for all policies evidenced on the certificate of insurance;
- 5.1.2 Include copies of the additional insured endorsement to the commercial general liability policy, adding the COUNTY of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- 5.1.3 Identify any deductibles or self-insured retentions for COUNTY's approval. The COUNTY retains the right to require the CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to the COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- 5.1.4 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.
- 5.1.5 Failure to Maintain Coverage: Failure by the CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the Contract upon which COUNTY may immediately terminate or suspend this Contract. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, the COUNTY may deduct from sums due to the CONTRACTOR any premium costs advanced by the COUNTY for such insurance.

5.1.6 Notification of Incidents, Claims or Suits: CONTRACTOR shall report to COUNTY:

5.1.6.1 Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the CONTRACTOR and/or the COUNTY. Such report shall be made in writing within twenty-four (24) hours of occurrence.

5.1.6.2 Any third party claim or lawsuit filed against the CONTRACTOR arising from or related to services performed by the CONTRACTOR under this Contract.

5.1.6.3 Any injury to a CONTRACTOR employee that occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-Employee Injury Report" to the COUNTY Contract Manager.

5.1.6.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to the CONTRACTOR under the terms of this Contract.

5.1.7 Compensation for COUNTY Costs: In the event that the CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the COUNTY, the CONTRACTOR shall pay full compensation for all costs incurred by COUNTY.

5.1.8 Insurance Coverage Requirements for Subcontractors: CONTRACTOR shall ensure any and all Subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

5.1.8.1 CONTRACTOR providing evidence of insurance covering the activities of Subcontractors, or

5.1.8.2 CONTRACTOR providing evidence submitted by Subcontractors evidencing that Subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of

evidence of Subcontractor insurance coverage at any time.

5.2 Insurance Coverage Requirements:

- 5.2.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- 5.2.2 Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each accident. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto."

- 5.2.3 Workers' Compensation and Employer's Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the CONTRACTOR is responsible. If the CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which CONTRACTOR is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

- 5.2.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONTRACTOR, its officers or employees with limits of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Contract.

6.0 INVOICES AND PAYMENTS

- 6.1 CONTRACTOR shall invoice the COUNTY only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A, Statement of Work and elsewhere hereunder. The CONTRACTOR shall prepare invoices, which shall include the charges owed to the CONTRACTOR by the COUNTY under the terms of the Contract. The CONTRACTOR's payments shall be as provided in Exhibit A-3, Pricing Schedule, and the CONTRACTOR shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the COUNTY. If the COUNTY does not approve work in writing, no payments shall be due to the CONTRACTOR for that work.
- 6.2 CONTRACTOR's invoices shall be priced in accordance with Exhibit A-3, Pricing Schedule.
- 6.3 CONTRACTOR's invoices shall contain the information set forth in Exhibit A, Statement of Work, describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 6.4 CONTRACTOR shall submit an invoice in arrears for services rendered in the previous month. CONTRACTOR shall make its best efforts to submit all invoices within thirty (30) Days of the last day of the month in which the service was rendered. Any invoice submitted more than thirty days after the last day of the month in which the services were rendered shall constitute a "past due invoice." Past due invoices shall be submitted no later than sixty (60) Days after the last day of the month in which the services were rendered. Notwithstanding any other provision of this Contract, CONTRACTOR and COUNTY agree that the COUNTY shall have no obligation whatsoever to pay any past due invoices which are submitted more than sixty (60) Days after the last day of the month in which the services were rendered. COUNTY may, in its sole discretion, pay some or all of a past due invoice which CONTRACTOR has submitted more than sixty (60) Days after the last day of the month in which services were rendered provided sufficient funds remain available under this Contract. These same time frames shall also apply to the submission of the CONTRACTOR's final invoice.
- 6.5 All invoices under this Contract shall be submitted in duplicate to the following address:

CONTRACTOR shall send original invoices to:

County of Los Angeles,
Department of Children and Family Services
Attention: Debbie Guiloff, Program Manager
3075 Wilshire Boulevard, Seventh Floor
Los Angeles, CA 90010

And a duplicate copy of the invoices to:

County of Los Angeles
Department of Children and Family Services
Attention: Finance Division, Contract Payment Unit
425 Shatto Place, Room 204
Los Angeles, California 90020

- 6.6 All invoices submitted by the CONTRACTOR for payment must have the written approval of the COUNTY's Program Manager prior to any payment thereof. In no event shall the COUNTY be liable or responsible for any payment prior to such written approval.
- 6.7 Expenditures made by CONTRACTOR in the operation of this Contract shall be in compliance and in conformity with the Office of Management and Budget (OMB) Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. CONTRACTOR is responsible for obtaining the most recent version of this Circular which is available online via the Internet at <http://www.whitehouse.gov/omb/circulars/index.html>
- 6.8 Payment to CONTRACTOR will be made in arrears on a monthly basis for services performed, provided that the CONTRACTOR is not in default under any provision of this Contract. COUNTY has no obligation to pay for any work except those services expressly authorized by this Contract.
- 6.9 In compliance with Internal Revenue Service (IRS) requirements, CONTRACTOR shall provide CONTRACTOR's Tax Identification Number.
- 6.10 CONTRACTOR is responsible for the accuracy of invoices submitted to COUNTY. Further, it is the responsibility of CONTRACTOR to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by CONTRACTOR and to notify COUNTY of any overpayments received by CONTRACTOR. Overpayment received by CONTRACTOR, as determined by Program Manager, or designee, shall be returned to COUNTY by

CONTRACTOR within thirty (30) Days of receiving notification of such overpayment from the COUNTY, or may be set off at COUNTY's election against future payments due CONTRACTOR. Notwithstanding any other provision of this Contract, CONTRACTOR shall return to COUNTY any and all payments, which exceed the Maximum Contract Sum. Furthermore, CONTRACTOR shall return said payments within thirty (30) Days of receiving notification of overpayment from the COUNTY or immediately upon discovering such overpayment, whichever date is earlier.

- 6.11 CONTRACTOR shall not be paid for expenditures beyond the Maximum Contract Sum, and CONTRACTOR agrees that COUNTY has no obligation, whatsoever, to pay for any expenditures by CONTRACTOR that exceed the Maximum Contract Sum.

7.0 NOTICES

- 7.1 All notices or demands required or permitted to be given or made under this Contract shall be given in writing by enclosing the same in a sealed envelope addressed to the intended party and by depositing such envelope with postage prepaid in the United States Post Office or any substation or public letterbox. All notices to COUNTY shall be sent in duplicate addressed to the following:

County of Los Angeles
Department of Children and Family Services
Contracts Administration
Attention: Contract Administrator
425 Shatto Place, Room 400
Los Angeles, California 90020

All notices to CONTRACTOR shall be sent to CONTRACTOR

Name: Thomas Kosco
Title: President and Chief Executive Officer
Address: 9348 De Soto Avenue
Chatsworth, CA 91311
Telephone: (818) 598 - 3110 Ext. 405
Facsimile: (818) 882 - 0259
E-Mail Address: tkosco@pactox.com

or such other person and/or location as may hereinafter be designated in writing by the CONTRACTOR. Addresses may be changed by either party giving ten (10) Days' prior written notice thereof to the other party.

- 7.2 All notices may also be given upon personal delivery to any person whose actual knowledge would be sufficient notice to CONTRACTOR. Further, it is expressly understood that actual knowledge of an individual CONTRACTOR shall in any case be sufficient notice. If the CONTRACTOR is a partnership or a corporation, actual knowledge of a partner, officer or member of the corporation, or of the managing agent regularly in charge of the work on behalf of CONTRACTOR, shall also be deemed sufficient.

8.0 LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM

- 8.1 This Contract is subject to the provisions of the COUNTY's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.
- 8.2 CONTRACTOR shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 8.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 8.4 If CONTRACTOR has obtained COUNTY certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, shall:
 - 8.4.1 Pay to the COUNTY any difference between the Contract amount and what the COUNTY's costs would have been if the Contract had been properly awarded;

8.4.2 In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the Contract; and

8.4.3 Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-Responsibility and Contractor Debarment).

8.5 The above penalties shall also apply if CONTRACTOR is no longer eligible for certification as a result in a change of their status and CONTRACTOR failed to notify the State and the COUNTY's Office of Affirmative Action Compliance of this information.

9.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

9.1 CONTRACTOR shall repair, or cause to be repaired, at its own cost, any and all damage to COUNTY facilities, buildings, or grounds caused by CONTRACTOR or employees or agents of CONTRACTOR. Such repairs shall be made immediately after CONTRACTOR has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

9.2 If CONTRACTOR fails to make timely repairs, COUNTY may make any necessary repairs. All costs incurred by COUNTY, as determined by COUNTY, for such repairs shall be repaid by CONTRACTOR by cash payment upon demand.

PART II: STANDARD TERMS AND CONDITIONS

1.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

1.1 CONTRACTOR's Program Manager

1.1.1. CONTRACTOR's Program Manager is designated in Exhibit B, Attachment E, CONTRACTOR's Administration. The CONTRACTOR shall notify the COUNTY in writing of any change in the name or address of the CONTRACTOR's Project Manager.

1.1.2 CONTRACTOR's Project Manager shall be responsible for CONTRACTOR's day-to-day activities as related to this Contract and shall coordinate with COUNTY's Project Manager on a regular basis.

1.2 Approval of CONTRACTOR Staff

COUNTY has the absolute right to approve or disapprove all of CONTRACTOR's staff performing work hereunder and any proposed changes in CONTRACTOR's staff, including, but not limited to, CONTRACTOR's Project Manager.

1.3 Background and Security Investigations

1.3.1 At any time prior to or during term of this Contract, the COUNTY may require that all CONTRACTOR staff performing work under this Contract undergo and pass, to the satisfaction of COUNTY, a background investigation, as a condition of beginning and continuing to work under this Contract. COUNTY shall use its discretion in determining the method of background clearance to be used, up to and including a COUNTY performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the CONTRACTOR, regardless if the CONTRACTOR's staff passes or fails the background clearance investigation.

1.3.2 COUNTY may request that CONTRACTOR's staff be immediately removed from working on the COUNTY Contract at any time during the term of the Contract. COUNTY will not provide to CONTRACTOR or to CONTRACTOR's staff any information obtained through the COUNTY conducted background clearance.

- 1.3.3 COUNTY may immediately deny or terminate facility access to CONTRACTOR's staff who do not pass such investigation(s) to the satisfaction of the COUNTY whose background or conduct is incompatible with COUNTY facility access, at the sole discretion of the COUNTY.
 - 1.3.4 Disqualification, if any, of CONTRACTOR staff, pursuant to this Sub-section 1.3, shall not relieve CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of this Contract.
- 1.4 Confidentiality
 - 1.4.1 CONTRACTOR shall maintain the confidentiality of all records and information, including the terms and conditions of the Contract, events or circumstances which occur during the course of CONTRACTOR's performance under the Contract, billings, COUNTY records, patient records, and other information obtained from the COUNTY under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
 - 1.4.2 CONTRACTOR shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem relating data security or maintenance in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
 - 1.4.3 CONTRACTOR shall inform all of its directors, officers, shareholders, employees, agents and Subcontractors, providing services hereunder of the confidentiality provisions of this Contract.
 - 1.4.4 CONTRACTOR shall cause each employee performing services covered by this Contract to sign and adhere to Exhibit B, Attachment Q, "CONTRACTOR's Employee Acknowledgment and Confidentiality Agreement".
 - 1.4.5 CONTRACTOR shall cause each non-employee performing services covered by this Contract to sign and adhere to Exhibit B, Attachment R, "CONTRACTOR'S Non-Employee Acknowledgment and Confidentiality Agreement".

1.4.6 CONTRACTOR shall notify COUNTY of any attempt to obtain confidential records through the legal process.

1.4.7 CONTRACTOR agrees to notify COUNTY in writing within twenty four (24) hours of any actual or suspected misuse, misappropriation, unauthorized disclosure of, or unauthorized access to Confidential Information that may come to CONTRACTOR's attention, and that includes unauthorized access to CONTRACTOR's computer or computers (including those of any Subcontractor involved in the Relationship) containing CONTRACTOR's or COUNTY's Confidential Information related to this Contract, including names and information of referred clients. Unauthorized access may include a virus or worm that penetrates and gains access to a computer and places a back door or keystroke logger on it, or a directed hack/crack that gains access to and some control over a computer.

1.4.8 CONTRACTOR shall comply with all applicable laws pertaining to confidentiality. This shall include, but is not limited to, the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.

2.0 ADMINISTRATION OF CONTRACT – COUNTY

A listing of all COUNTY Administration referenced in the following Sub-sections is designated in Exhibit B, Attachment F, COUNTY's Administration. The COUNTY shall notify the CONTRACTOR in writing of any change in the names or addresses shown.

2.1 COUNTY's Program Director

Responsibilities of the COUNTY's Program Director include:

- ensuring that the objectives of this Contract are met.
- making changes in the terms and conditions of this Contract in accordance with Part II, Section 7.0, Changes and Amendments; and
- providing direction to CONTRACTOR in the areas relating to COUNTY policy, information requirements, and procedural requirements.

2.2 COUNTY's Program Manager

The responsibilities of the COUNTY's Program Manager include:

- meeting with CONTRACTOR's Program Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of CONTRACTOR.

The COUNTY's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate COUNTY in any respect whatsoever.

2.3 COUNTY'S Contract Program Monitor

The COUNTY's Program Monitor is responsible for overseeing the day-to-day administration of this Contract. The Program Monitor reports to the COUNTY's Program Manager.

3.0 AMERICANS WITH DISABILITIES ACT (ADA)

The CONTRACTOR agrees to abide by all applicable federal, State and local laws including the Americans with Disabilities Act (ADA) and its requirement to provide reasonable accommodations and auxiliary aids or services, unless compliance with the ADA would place an undue financial burden on, or would fundamentally alter the nature of, the CONTRACTOR's program.

4.0 ASSIGNMENT/DELEGATION OF RIGHTS

- 4.1 CONTRACTOR shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of the COUNTY's Board of Supervisors or the Director in the event the Director has the delegated authority to consent. Any unapproved assignment or delegation shall be null and void. Any payments by COUNTY to any approved delegate or assignee on any claim under this Contract shall be deductible, at DCFS' sole discretion, against the claims, which the CONTRACTOR may have against the COUNTY.
- 4.2 If any assumption, assignment, delegation, or takeover of any of the CONTRACTOR's duties, responsibilities, obligations, or performance of same by any entity other than the CONTRACTOR,

whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the COUNTY's Board of Supervisors or the Director's express prior written approval, may result in the termination of this Contract.

5.0 AUTHORIZATION WARRANTY

CONTRACTOR represents and warrants that the person executing this Contract for the CONTRACTOR is an authorized agent who has actual authority to bind the CONTRACTOR to each and every term, condition, and obligation of this Contract and that all requirements of the CONTRACTOR have been fulfilled to provide such actual authority.

6.0 BUDGET REDUCTIONS

In the event that the COUNTY's Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY contracts, the COUNTY reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year for services provided by the CONTRACTOR under this Contract. The COUNTY's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. The CONTRACTOR shall continue to provide all of the services set forth in this Contract.

7.0 CHANGES AND AMENDMENTS

7.1 The COUNTY reserves the right to initiate Change Notices that do not affect the scope, term, Contract Sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the CONTRACTOR and by DCFS.

7.2 For any change which affects the scope of work, Contract Sum, payments, or any term or condition included under this Contract, an amendment shall be prepared and executed by the COUNTY's Board of Supervisors or the Director in the event the Director has the delegated authority to execute.

7.2.1 Notwithstanding the provisions of Sections 7.1 and 7.2, COUNTY's Director may, without further action by COUNTY's Board of Supervisors, prepare and sign amendments to this Contract which increase or decrease payments to CONTRACTOR which are commensurate with

increases or decreases in the units of service being provided under this Contract under the following conditions:

- 7.2.1.1 COUNTY's total payments to CONTRACTOR shall not increase or decrease more than ten percent (10%) per year and in the aggregate above the original Maximum Contract Sum during the term of this Contract.
 - 7.2.1.2 COUNTY's Board of Supervisors has appropriated sufficient funds for all changes described in each such amendment to this Contract.
 - 7.2.1.3 Approval of County Counsel and the Chief Administrative Officer is obtained prior to any such amendment to this Contract; and
- 7.2.2 The Director shall notify COUNTY's Board of Supervisors, Chief Administrative Officer, and County Counsel of all Contract changes, in writing, within fifteen (15) days following execution of such amendment.
- 7.3 The COUNTY's Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The COUNTY reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Administrative Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the CONTRACTOR and by COUNTY's Board of Supervisors or the Director in the event the Director has the delegated authority to execute.
- 7.4 The COUNTY's Board of Supervisors or the Director, may at his/her sole discretion, authorize extensions of time as defined in Part I, Section 3.0, "Term and Termination". The CONTRACTOR agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the CONTRACTOR and by COUNTY's Board of Supervisors or the Director in the event the Director has the delegated authority to execute.

8.0 CHILD ABUSE PREVENTION REPORTING

- 8.1 CONTRACTOR agrees that the safety of the child will always be the first priority. To ensure the safety of children, CONTRACTOR will immediately notify COUNTY and the Child Abuse Hotline whenever CONTRACTOR reasonably suspects that a child has been a victim of abuse and/or is in danger of future abuse. The CONTRACTOR will remain with the child if imminent risk is present.
- 8.2 CONTRACTOR shall ensure that all known or suspected instances of child abuse are reported to a child protective agency as defined in Section 11164, et. Seq. of the Penal Code. This responsibility shall include:
 - 8.2.1 A requirement that all employees, consultants, or agents performing services under this Contract who are required by Penal Code, Section 11166(a), to report child abuse, sign a statement that he or she knows of the reporting requirements and will comply with them.
 - 8.2.2 The establishment of procedures to ensure reporting even when employees, consultants or agents who are not required to report child abuse under California Penal Code Section 11166, gain knowledge of, or reasonably suspect that a child had been a victim of abuse or neglect.
 - 8.2.3 The assurance that all employees of CONTRACTOR and Subcontractors understand that the safety of the child is always the first priority.

9.0 CHILD SUPPORT COMPLIANCE PROGRAM

- 9.1 CONTRACTOR's Warranty of Adherence to COUNTY's Child Support Compliance Program
 - 9.1.1 CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals who benefit financially from COUNTY through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.
 - 9.1.2 As required by COUNTY's Child Support Compliance Program (COUNTY Code Chapter 2.200) and without limiting CONTRACTOR's duty under this Contract to comply with all applicable provisions of law, CONTRACTOR

warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

9.2 Termination for Breach of Warranty to Maintain Compliance with COUNTY's Child Support Compliance Program

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Section 9.1, "CONTRACTOR's Warranty of Adherence to COUNTY's Child Support Compliance Program" shall constitute a default by CONTRACTOR under this contract. Without limiting the rights and remedies available to COUNTY under any other provision of this Contract, failure of CONTRACTOR to cure such default within ninety (90) calendar days of within notice shall be grounds upon which the COUNTY may terminate this Contract pursuant to Section 49.0, "Termination for CONTRACTOR's Default" and pursue debarment of CONTRACTOR, pursuant to COUNTY Code Chapter 2.202.

10.0 COMMUNITY BUSINESS ENTERPRISES PROGRAM

In accordance with COUNTY policy, CONTRACTOR has submitted a true and correct copy of the Certification Application, which is attached as Exhibit B, Attachment P.

11.0 COMPLAINTS

11.1 CONTRACTOR shall establish a written procedure to resolve client grievances. At the request of Program Manager, CONTRACTOR shall submit such procedures to COUNTY within five (5) calendar days from the date of the request.

11.1.1 CONTRACTOR shall develop, maintain and operate procedures for receiving, investigating and responding to complaints. Within five (5) business days after Contract effective date, CONTRACTOR shall provide the COUNTY with the CONTRACTOR's policy for receiving, investigating and responding to user complaints.

- 11.1.2 The COUNTY will review the CONTRACTOR's policy and provide the CONTRACTOR with approval of said plan or with requested changes.
- 11.1.3 If the COUNTY requests changes in the CONTRACTOR's policy, the CONTRACTOR shall make such changes and resubmit the plan within five (5) business Days.
- 11.1.4 If, at any time, the CONTRACTOR wishes to change the CONTRACTOR's policy, the CONTRACTOR shall submit proposed changes to the COUNTY for approval before implementation.
- 11.2 CONTRACTOR shall preliminarily investigate all complaints and notify the COUNTY's Program Manager of the status of the investigation within five (5) business Days of receiving the complaint.
- 11.3 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 11.4 Copies of all written responses shall be sent to the COUNTY's Program Manager within three (3) business Days of mailing to the complainant.

12.0 COMPLIANCE WITH APPLICABLE LAWS

- 12.1 CONTRACTOR shall conform to and abide by all applicable Municipal, COUNTY, State and Federal laws and regulations, court rules, and ordinances, insofar as the same or any of them are applicable. This includes compliance with mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (Title 24, California Administrative Code) and compliance with Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15). Insofar as permits and/or licenses are required for the prescribed services and/or any construction authorized herein, the same must be obtained from the regulatory agency having jurisdiction there over.
 - 12.1.1 CONTRACTOR acknowledges that this Contract will be funded, in part, with federal funds; therefore, CONTRACTOR agrees that it shall comply with all applicable federal laws and regulations pertaining to such federal funding. Said

federal laws and regulations include, but are not limited to, 45 CFR Section 92.36, et seq.

12.1.2 CONTRACTORS shall comply with all applicable laws pertaining to confidentiality. This shall include but is not limited to the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.

12.1.3 CONTRACTOR agrees to comply fully with the terms of Executive Order 11246, entitled Equal Employment Opportunity as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60).

12.2 Failure by CONTRACTOR to comply with such laws and regulations shall be a material breach of this Contract and may result in termination of this Contract.

12.3 CONTRACTOR shall indemnify and hold harmless the COUNTY from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the CONTRACTOR or its employees, agents, or Subcontractors of any such laws, rules, regulations, ordinances, or directives.

13.0 COMPLIANCE OF CIVIL RIGHTS

CONTRACTOR hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no persons shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program or activity supported by this Contract. CONTRACTOR shall comply with Exhibit B, Attachment O, Contractor's Equal Employment Opportunity (EEO) Certification.

14.0 COMPLIANCE WITH JURY SERVICE PROGRAM

This Contract is subject to the provisions of the COUNTY's ordinance entitled CONTRACTOR Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles COUNTY Code, a copy of which is attached hereto as Exhibit B, Attachment C, and incorporated by reference into and made a part of this Contract.

14.1 Written Employee Jury Service Policy

14.1.1 Unless CONTRACTOR has demonstrated to the COUNTY's satisfaction either that CONTRACTOR is not a "CONTRACTOR" as defined under the Jury Service Program (Section 2.203.020 of the COUNTY Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (2.203.070 of the COUNTY Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

14.1.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full time employee of CONTRACTOR. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any Subcontractor to perform services for the COUNTY under this Contract, the Subcontractor shall also be subject to the provisions of this Section 14.0. The provisions of this Section 14.0 shall be inserted into any such Subcontract Contract and a copy of the Jury Service Program shall be attached to the Contract.

14.1.3 If CONTRACTOR is not required to comply with the Jury Service Program when the Contract commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of

“CONTRACTOR” or if CONTRACTOR no longer qualifies for an exception to the Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the term of this Contract and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY’s satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program’s definition of “CONTRACTOR” and/or that CONTRACTOR continues to qualify for an exception to the Program.

14.1.4 CONTRACTOR’s violation of this Section 14.0 of this Contract may constitute a material breach of this Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

15.0 CONDUCT OF PROGRAM

CONTRACTOR shall abide by all terms and conditions imposed and required by this Contract and shall comply with all subsequent revisions, modifications, and administrative and statutory changes made by the State, and all applicable provisions of State and Federal regulations. Failure by CONTRACTOR to comply with provisions, requirements or conditions of this Contract, including but not limited to performance documentation, reporting and evaluation requirements, shall be a material breach of this Contract and may result in the withholding of payments, financial penalties, and/or termination as stated herein.

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position in COUNTY enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by CONTRACTOR or have any other direct or indirect financial interest in this Contract. No officer or employee of COUNTY who may financially benefit from the PERFORMANCE OF WORK hereunder shall in any way participate in COUNTY’s approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence COUNTY’s approval or ongoing evaluation of such work.

16.2 CONTRACTOR shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. CONTRACTOR warrants that it is

not now aware of any facts, which created a conflict of interest. If CONTRACTOR hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full written disclosure shall include, but is not limited to, identification of all persons implicated, and complete description of all relevant circumstances. Failure to comply with the provisions of this Section shall be a material breach of this Contract.

17.0 CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT

17.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract, the CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet CONTRACTOR's minimum qualifications for the open position. For this purpose, consideration shall mean that the CONTRACTOR will interview qualified candidates. The COUNTY will refer GAIN/GROW participants, by job category, to the CONTRACTOR.

17.2 In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

18.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON REEMPLOYMENT LIST

Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, CONTRACTOR shall give **first consideration** for such employment openings to qualified permanent COUNTY employees who are targeted for layoff or qualified former COUNTY employees who are on a reemployment list during the term of this Contract.

19.0 CONTRACT ACCOUNTING AND FINANCIAL REPORTING

19.1 CONTRACTOR shall establish and maintain an accounting system including internal controls and financial reporting, which shall meet the minimum requirements for Contract Accounting as described in Exhibit B, Attachment A, Auditor-Controller Contract Accounting and Administration Handbook.

- 19.2 CONTRACTOR shall maintain supporting documentation of all accruals reported. Accruals, which are not properly supported, may be disallowed upon audit.

20.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 20.1 A responsible CONTRACTOR is a CONTRACTOR who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the COUNTY's policy to conduct business only with responsible Contractors.
- 20.2 CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in this Contract, debar the CONTRACTOR from bidding or proposing on, or being awarded, and/or performing work on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the CONTRACTOR may have with the COUNTY.
- 20.3 The COUNTY may debar the CONTRACTOR if the COUNTY Board of Supervisors finds, in its discretion, that the CONTRACTOR has done any of the following: (1) violated any term of a contract with the COUNTY or a nonprofit corporation created by the COUNTY, (2) committed an act or omission which negatively reflects on the CONTRACTOR's quality, fitness or capacity to perform a contract with the COUNTY or any other public entity, or a nonprofit corporation created by the COUNTY, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.
- 20.4 If there is evidence that the CONTRACTOR may be subject to debarment, DCFS will notify the CONTRACTOR in writing of the evidence, which is the basis for the proposed debarment and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 20.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After

the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. The CONTRACTOR and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

- 20.6 After consideration of any objections or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 20.7 If a CONTRACTOR has been debarred for a period longer than five years, that CONTRACTOR may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the CONTRACTOR has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the COUNTY.
- 20.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) the CONTRACTOR has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
- 20.8.1 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The

Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

20.9 These terms shall also apply to Subcontractors of COUNTY Contractors.

21.0 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring CONTRACTORS to complete the certification in Exhibit B, Attachment G, the County seeks to ensure that all COUNTY CONTRACTORS which receive or raise charitable contributions comply with California law in order to protect the COUNTY and its taxpayers. A CONTRACTOR which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202).

22.0 CONTRACTOR'S OBLIGATIONS UNDER HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

The COUNTY is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, CONTRACTOR provides services to the COUNTY and the CONTRACTOR receives, has access to, and/or creates Protected Health Information as defined in Exhibit B, Attachment L, in order to provide those services. The COUNTY and the CONTRACTOR therefore agree to the terms of Exhibit B, Attachment L, CONTRACTOR's Obligations Under HIPAA.

23.0 CONTRACTOR'S WORK

23.1 Pursuant to the provisions of this Contract, CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as more fully set forth in Exhibit A, Statement of Work.

23.2 If the CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the

CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

24.0 COUNTY'S QUALITY ASSURANCE PLAN

The COUNTY or its agent will evaluate CONTRACTOR's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the CONTRACTOR's compliance with all contract terms and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the COUNTY Board of Supervisors. The report will include improvement/corrective action measures taken by the COUNTY and CONTRACTOR. If improvement does not occur in a manner consistent with the corrective action measures, COUNTY may terminate this Contract or impose other penalties as specified in this Contract.

25.0 CRIMINAL CLEARANCES

- 25.1 For the safety and welfare of the children to be served under this Contract, CONTRACTOR agrees, as permitted by law, to ascertain arrest and conviction records for all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contact with children in the course of their work, volunteer activity or performance of the subcontract and shall maintain such records in the file of each such person.
- 25.2 CONTRACTOR shall immediately notify COUNTY of any arrest and/or subsequent conviction, other than for minor traffic offenses, of any employee, independent CONTRACTOR, volunteer staff or Subcontractor who may come in contact with children while providing services under this Contract when such information becomes known to CONTRACTOR.
- 25.3 CONTRACTOR agrees not to engage or continue to engage the services of any person convicted of any crime involving harm to children, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to the offenses specified in Health and Safety Code, Section 11590 (offenses requiring registration as a controlled substance offender) and those crimes listed in the Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

26.0 EMPLOYEE BENEFITS AND TAXES

- 26.1 CONTRACTOR shall be solely responsible for providing to, or on behalf of its employees, all legally required salaries, wages, benefits, or other compensation.
- 26.2 COUNTY shall have no liability or responsibility for any taxes, including, without limitation, sales, income, employee withholding and/or property taxes, which may be imposed in connection with, or resulting from this Contract or CONTRACTOR's performance hereunder.

27.0 EMPLOYMENT ELIGIBILITY VERIFICATION

CONTRACTOR warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in Federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain such documentation of all covered employees for the period prescribed by law. CONTRACTOR shall indemnify, defend, and hold harmless, the COUNTY, its agents, its officers and employees from employer sanctions and any other liability which may be assessed against the CONTRACTOR or the COUNTY or both in connection with any alleged violation of Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

28.0 EVENTS OF DEFAULT

28.1 Default for Non-Performance

COUNTY may terminate the whole or any part of this Contract if either of the following circumstances exists:

- 28.1.1 CONTRACTOR has made a misrepresentation of any required element in the bid/proposal submitted in response to the Invitation for Bids/Invitation for Bids, if any; or
- 28.1.2 CONTRACTOR fails to comply with or perform any provision of this Contract or fails to make progress so as to endanger performance of any term of this Contract.

28.2 Default of Insolvency

COUNTY may terminate this Contract for default for insolvency in the event of the occurrence of any of the following:

28.2.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has filed for bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not;

28.2.2 The filing of a voluntary petition in bankruptcy;

28.2.3 The appointment of a Receiver or Trustee for CONTRACTOR;

28.2.4 The execution by CONTRACTOR of an assignment for the benefit of creditors.

28.3 Other Events of Default

Determination by the COUNTY, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by CONTRACTOR in violation of State and/or Federal laws thereon.

29.0 FAIR LABOR STANDARDS

The CONTRACTOR shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the COUNTY and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the CONTRACTOR'S employees for which the COUNTY may be found jointly or solely liable.

30.0 FIXED ASSETS

Title to all fixed assets purchased with COUNTY funds designated by the COUNTY for that purpose under this Contract shall remain with COUNTY. A "Fixed Asset" is defined hereunder as any equipment costing five thousand dollars (\$5,000) or more, with a useful life of more than one year. Such assets shall be maintained and repaired by CONTRACTOR

during the term of this Contract. CONTRACTOR shall provide an accounting of such assets at the termination or expiration of this Contract and shall deliver same to COUNTY upon COUNTY's written request. CONTRACTOR shall have the option upon the expiration or termination of the Contract to acquire such assets at a price to be mutually agreed upon by COUNTY and CONTRACTOR.

31.0 FORMER FOSTER YOUTH CONSIDERATION

31.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract to perform services set forth herein, CONTRACTOR shall give consideration (after COUNTY employees, and GAIN/GROW participants as described in Part II, Sections 18.0 and 17.0, respectively) for any such position(s) to qualified former foster youth. CONTRACTOR shall notify COUNTY of any new or vacant positions(s) within CONTRACTOR's firm by sending via U.S. mail or facsimile, a list denoting any position(s) for which hiring is anticipated to:

County of Los Angeles
Department of Children and Family Services
Attention: Division Chief
Emancipation Services Division
425 Shatto Place, Suite 500
Los Angeles, CA 90020
FAX: (213) 637-0036

31.2 The notice sent by CONTRACTOR must indicate the position(s)/title(s) for vacant or new employment opportunity, description of same, requirements/qualifications for position(s), anticipated pay rate or salary schedule, the location where application(s)/requests for application(s) may be sent, final date of acceptance for applications, and any special circumstances relevant to the hiring procedure for said position(s).

31.3 CONTRACTOR is exempt from the provisions of this Section 31.0 if it is a governmental entity.

32.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

33.0 INDEMNIFICATION

CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with CONTRACTOR's acts and/or omissions arising from and/or relating to this Contract.

34.0 INDEPENDENT CONTRACTOR STATUS

- 34.1 This Contract is by and between the COUNTY and CONTRACTOR and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association, as between COUNTY and CONTRACTOR. The employees and agents of one party shall not be, or to be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 34.2 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The COUNTY shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the CONTRACTOR.
- 34.3 CONTRACTOR understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the CONTRACTOR and not employees of the COUNTY. CONTRACTOR shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the CONTRACTOR pursuant to this Contract.

35.0 LIQUIDATED DAMAGES

- 35.1 If, in the judgment of the Director, the CONTRACTOR is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the CONTRACTOR's invoice for work not performed. The work not performed and the

amount to be withheld or deducted from payments to the CONTRACTOR from the COUNTY will be forwarded to the CONTRACTOR by the Director, or his/her designee, in a written notice describing the reasons for said action.

- 35.2 If the Director determines that there are deficiencies in the performance of this Contract that the Director deems are correctable by the CONTRACTOR over a certain time span, the Director will provide a written notice to the CONTRACTOR to correct the deficiency within specified time frames. Should the CONTRACTOR fail to correct deficiencies within said time frame, the Director may:
- (a) Deduct from the CONTRACTOR's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or
 - (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the CONTRACTOR to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages shall be that which is specified in Exhibit A-1, Performance Requirement Summary (PRS) Chart, and that the CONTRACTOR shall be liable to the COUNTY for liquidated damages in said amount. Said amount shall be deducted from the COUNTY's payment to the CONTRACTOR and/or,
 - (c) Upon giving five (5) days notice to the CONTRACTOR for failure to correct the deficiencies, the COUNTY may correct any and all deficiencies and the total costs incurred by the COUNTY for completion of the work by an alternate source, whether it be COUNTY forces or separate private CONTRACTOR, will be deducted and forfeited from the payment to the CONTRACTOR from the COUNTY, as determined by the COUNTY.
- 35.3 The action noted in Section 35.2 shall not be construed as a penalty, but as adjustment of payment to the CONTRACTOR to recover the COUNTY cost due to the failure of the CONTRACTOR to complete or comply with the provisions of this Contract.
- 35.4 This Section shall not, in any manner, restrict or limit the COUNTY's right to damages for any breach of this Contract provided by law or as specified in the PRS or Section 35.2, and

shall not, in any manner, restrict or limit the COUNTY's right to terminate this Contract as agreed to herein.

36.0 MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN

CONTRACTOR represents and warrants that it has registered in the COUNTY's WebVen. Prior to a contract award, all potential Contractors must register in the COUNTY's WebVen. The WebVen contains the vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the COUNTY's home page at http://laCOUNTY.info/doing_business/main_db.htm. *(There are underscores in the address between the words 'doing business' and 'main db'.)*

37.0 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

- 37.1 CONTRACTOR certifies and agrees that all persons under its employ, its affiliates, subsidiaries, or holding companies, are and will be treated equally by it without regard to or because of race, religion, color, national origin, political affiliation, marital status, sex, age, or handicap, in compliance with all applicable Federal and State non-discrimination laws and regulations.
- 37.2 CONTRACTOR shall certify to, and comply with, the provisions of Exhibit B, Attachment O, Contractor's Equal Opportunity Employment Opportunity (EEO) Certification.
- 37.3 CONTRACTOR shall take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment without regard to race, religion, color, national origin, political affiliation, marital status, sex, age, or handicap. Such action shall include but is not limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.
- 37.4 CONTRACTOR certifies and agrees that it will deal with its Subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, physical or mental disability, marital status, or political affiliation.
- 37.5 CONTRACTOR certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person

shall, on the grounds of race, color, religion, ancestry, national origin, sex, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

37.6 CONTRACTOR shall allow COUNTY's representatives access to CONTRACTOR's employment records during regular business hours to verify compliance with the provisions of this section when so requested by COUNTY.

37.7 If COUNTY finds that any of the above provisions have been violated, the same shall constitute a material breach of contract upon which COUNTY may determine to terminate this Contract. COUNTY reserves the right to determine independently whether the non-discrimination provisions of this Contract have been violated. In addition, a determination by the California Fair Employment Opportunity Commission that CONTRACTOR has violated State or Federal non-discrimination laws or regulations shall constitute a finding by COUNTY that CONTRACTOR has violated the non-discrimination provisions of this Contract.

37.8 The parties agree that in the event CONTRACTOR violates any of the non-discrimination provisions of this Contract, the COUNTY shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

38.0 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with CONTRACTOR. This Contract shall not restrict DCFS from acquiring similar, equal, or like goods and/or services from other entities or sources.

39.0 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give written notice thereof, including all relevant information with respect thereto, to the other party.

40.0 NOTICE OF DISPUTE

The CONTRACTOR shall bring to the attention of the COUNTY Program Manager and/or COUNTY Program Director any dispute between the COUNTY and the CONTRACTOR regarding the performance of services as stated in this Contract. If the COUNTY Program Manager or COUNTY Program Director is not able to resolve the dispute, the Director, or designee shall resolve it.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONTRACTOR shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Services Notice 1015, attached hereto as Exhibit B, Attachment B.

42.0 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the CONTRACTOR and the COUNTY agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

43.0 PROPRIETARY RIGHTS

43.1 COUNTY and CONTRACTOR agree that all materials, data and information developed under and/or used in connection with this Contract shall become the sole property of COUNTY, provided that CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Contract, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

43.2 Notwithstanding any other provision of this Contract, COUNTY and CONTRACTOR agree that COUNTY shall have all ownership rights in software or modification thereof and associated documentation designed, developed or installed with Federal financial participation; additionally, the Federal Government shall have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal

Government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Contract, proprietary operating/vendor software packages (e.g., ADABAS or TOTAL) which are provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership provisions of this Section. CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Contract, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

- 43.3 Any materials, data and information not developed under this Contract, which CONTRACTOR considers to be proprietary and confidential, shall be plainly and prominently marked by CONTRACTOR as "TRADE SECRET", "PROPRIETARY", or "CONFIDENTIAL".
- 43.4 COUNTY will use reasonable means to ensure that CONTRACTOR's proprietary and confidential materials, data and information are safeguarded and held in confidence. However, COUNTY will notify CONTRACTOR of any Public Records request for items described in Section 43.3. COUNTY agrees not to reproduce or distribute such materials, data and information to non-COUNTY entities without the prior written permission of CONTRACTOR.
- 43.5 Notwithstanding any other provision of this Contract, COUNTY shall not be obligated in any way under Section 43.4 for:
 - 43.5.1 Any material, data and information not plainly and prominently marked with restrictive legends as set forth in Section 43.3;
 - 43.5.2 Any materials, data and information covered under Section 43.2; and
 - 43.5.3 Any disclosure of any materials, data and information which COUNTY is required to make under the California Public Records Act or otherwise by law.
- 43.6 CONTRACTOR shall protect the security of and keep confidential all materials, data and information received or produced under this Contract. Further, CONTRACTOR shall use reasonable security measures are necessary to protect all such materials, data and

information from loss or damage by any cause, including, but not limited to, fire and theft.

43.7 CONTRACTOR shall not disclose to any party any information identifying, characterizing or relating to any risk, threat, vulnerability, weakness or problem regarding data security in COUNTY's computer systems or to any safeguard, countermeasure, contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.

43.8 The provisions of Sections 43.5, 43.6, and 43.7 shall survive the expiration or termination of this Contract.

44.0 PUBLIC RECORDS ACT

44.1 Any documents submitted by CONTRACTOR; all information obtained in connection with the COUNTY'S right to audit and inspect CONTRACTOR'S documents, books, and accounting records pursuant to Part II, Section 45.0, Records Retention and Inspection/Audit Settlement, of this Contract; as well as those documents which were required to be submitted in response to the Invitation for Bids (IFB) used in the solicitation process for this Contract, become the exclusive property of the COUNTY. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The COUNTY shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

44.2 In the event the COUNTY is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the CONTRACTOR agrees to defend and indemnify the COUNTY from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

45.0 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

45.1 CONTRACTOR shall maintain accurate and complete financial records of all its activities and operations relating to this Contract in accordance with generally accepted accounting principles.

CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this Contract.

- 45.2 CONTRACTOR agrees that the COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other employment records and proprietary data and information, shall be kept and maintained by the CONTRACTOR and shall be made available to COUNTY during the term of this Contract and for a period of five (5) years thereafter unless COUNTY's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the CONTRACTOR at a location in Los Angeles County, provided that if any such material is located outside of Los Angeles COUNTY, then, at COUNTY's option, CONTRACTOR shall pay the COUNTY for travel, per diem and other costs incurred by COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.
- 45.3 In the event that an audit is conducted of CONTRACTOR specifically regarding this Contract by any Federal or State Auditor, or by any auditor employed by CONTRACTOR or otherwise, then CONTRACTOR shall file a copy of such audit report with COUNTY's Auditor-Controller within thirty (30) days of CONTRACTOR's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 45.4 Failure on the part of CONTRACTOR to comply with the provisions of this Section 45.0 shall constitute a material breach of this Contract upon which COUNTY may terminate or suspend this Contract.
- 45.5 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, authorized representatives of COUNTY conduct an audit of CONTRACTOR regarding the services provided to COUNTY hereunder and if such audit finds that COUNTY's dollar liability for such services is less than payments made by COUNTY to CONTRACTOR, then CONTRACTOR agrees that the difference, at the COUNTY's discretion, shall be either: (a) repaid forthwith by CONTRACTOR to COUNTY by cash payment; or (b) at COUNTY's option, credited against future payments hereunder to CONTRACTOR. If such

audit finds that COUNTY's dollar liability for such work is more than payments made by COUNTY to CONTRACTOR, then the difference shall be paid to the CONTRACTOR by the COUNTY by cash payment provided that in no event shall COUNTY's maximum obligation for this Contract exceed the funds appropriated by the COUNTY for the purpose of this Contract.

46.0 RECYCLED-CONTENT PAPER

Consistent with the COUNTY's Board of Supervisors' policy to reduce the amount of solid waste deposited at COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on this Contract.

47.0 SAFELY SURRENDERED BABY LAW

47.1 Contractor's Acknowledgement of COUNTY's Commitment to the Safely Surrendered Baby Law

The CONTRACTOR acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. The CONTRACTOR understands that it is the COUNTY's policy to encourage all COUNTY Contractors to voluntarily post the COUNTY'S "Safely Surrendered Baby Law" poster in a prominent position at the CONTRACTOR's place of business. The CONTRACTOR will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The COUNTY's Department of Children and Family Services will supply the CONTRACTOR with the poster to be used.

47.2 Notice to Employees Regarding the Safely Surrendered Baby Law

The CONTRACTOR shall notify and provide to its employees and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles COUNTY, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit B, Attachment D, Safely Surrendered Baby Law, of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

48.0 SUBCONTRACTING

48.1 The requirements of this Contract may not be subcontracted by the CONTRACTOR **without the advance approval of the COUNTY. Any attempt by the CONTRACTOR to subcontract without the prior**

consent of the COUNTY may be deemed a material breach of this Contract.

- 48.2 If the CONTRACTOR desires to subcontract. The CONTRACTOR shall provide the following information promptly at the COUNTY's request:

48.2.1 A description of the work to be performed by the Subcontractor;

48.2.2 A draft copy of the proposed subcontract; and

48.2.3 Other pertinent information and/or certifications requested by the COUNTY.

- 48.3 CONTRACTOR shall indemnify and hold the COUNTY harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontract(s) were CONTRACTOR employees.

- 48.4 CONTRACTOR shall remain fully responsible for all performances required of it under this Contract, including those that the CONTRACTOR has determined to subcontract, notwithstanding the COUNTY's approval of the CONTRACTOR's proposed subcontract.

- 48.5 COUNTY's consent to subcontract shall not waive the COUNTY's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The CONTRACTOR is responsible to notify its Subcontractors of this COUNTY's right.

- 48.6 COUNTY's Program Manager is authorized to act for and on behalf of the COUNTY with respect to approval of any subcontract and Subcontractor employees.

- 48.7 CONTRACTOR shall obtain the following from each Subcontractor before any Subcontractor employee may perform any work under any subcontract to this Contract. CONTRACTOR shall maintain and make available upon request of Program Manager all the following documents:

48.7.1 An executed Exhibit B, Attachment Q, "CONTRACTOR's Employee Acknowledgment and Confidentiality Agreement", executed by each Subcontractor and each of

Subcontractor's employees approved to perform work hereunder.

48.7.2 Certificates of Insurance which establish that the Subcontractor maintains all the programs of insurance required by Part I, Section 5.2, Insurance Coverage Requirements, of this Contract, and

48.7.3 The Tax Identification Number of the subcontracting agency is to be placed on the signature page of the subcontract. This Tax Identification Number shall not be identical to the CONTRACTOR's Tax Identification Number.

48.8 CONTRACTOR shall provide Program Manager with copies of all executed subcontracts after Program Manager's approval.

48.9 No subcontract shall alter in any way any legal responsibility of CONTRACTOR to COUNTY. CONTRACTOR shall remain responsible for any and all performance required of it under this Contract, including, but not limited to, the obligation to properly supervise, coordinate, and perform all work required hereunder.

48.10 Notwithstanding any other provision of this Contract, the parties do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Contract.

48.11 CONTRACTOR shall be solely liable and accountable for any and all payments and other compensation to all Subcontractors engaged hereunder and their officers, employees, and agents. COUNTY shall have no liability or responsibility whatsoever for any payment or other compensation for any Subcontractors or their officers, employees, and agents.

49.0 TERMINATION FOR CONTRACTOR'S DEFAULT

49.1 COUNTY may, by written notice to the CONTRACTOR, terminate the whole or any part of this Contract, if, in the judgment of COUNTY's Program Manager, and in accordance with Exhibit A-1, Performance Requirement Summary:

49.1.1 CONTRACTOR has materially breached this Contract;

49.1.2 CONTRACTOR fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required under this Contract; or

- 49.1.3 CONTRACTOR fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the COUNTY may authorize in writing) after receipt of written notice from the COUNTY specifying such failure.
- 49.2 In the event COUNTY terminates this Contract in whole or in part as provided in Subsection 49.1, the COUNTY may procure, upon such terms and in such manner, as COUNTY may deem appropriate, services similar to those so terminated. CONTRACTOR shall be liable to the COUNTY for any and all excess cost incurred by the COUNTY, as determined by the COUNTY, for such similar goods and services. The CONTRACTOR shall continue the performance of this Contract to the extent not terminated under the provisions of this Section 49.0.
- 49.3 Except with respect to defaults of any Subcontractor, the CONTRACTOR shall not be liable for any such excess costs of the type identified in Subsection 49.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the CONTRACTOR. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the COUNTY in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the CONTRACTOR. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the CONTRACTOR and Subcontractor, and without the fault or negligence of either of them, the CONTRACTOR shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the required performance schedule. As used in this Subsection 49.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.
- 49.4 If, after the COUNTY has given notice of termination under the provisions of this Section 49.0, it is determined by the COUNTY that the CONTRACTOR was not in default under the provisions of this Section 49.0 or that the default was excusable under the provisions of Subsection 49.3, the rights and obligations of the

parties shall be as if the notice of termination had been issued pursuant to Part II, Section 50.0, Termination for Convenience.

- 49.5 In the event the COUNTY terminates this Contract in its entirety due to the CONTRACTOR's default as provided in Subsection 49.1, the CONTRACTOR and the COUNTY agree that the COUNTY will have actual damages, which are extremely difficult to calculate and impracticable to fix and which will include, but are not limited to, the COUNTY's costs of procuring such services. Therefore, the CONTRACTOR and the COUNTY agree that the COUNTY shall, at its sole option and in lieu of the provisions of Subsection 49.2, be entitled to liquidated damages from the CONTRACTOR, pursuant to California Civil Code Section 1671, in the amount of Five Thousand Dollars (\$5,000) or five percent (5%) of the applicable year's Contract sum, whichever is less, as equitable compensation to the COUNTY for such actual damages. This amount of the liquidated damages shall be either paid by the CONTRACTOR to the COUNTY by cash payment upon demand or, at the sole discretion of COUNTY, or designee, deducted from any amounts due to the CONTRACTOR by the COUNTY, whether under this Contract or otherwise.

49.5.1 These liquidated damages shall be in addition to any credits, which the COUNTY is otherwise entitled to under this Contract, and the CONTRACTOR's payment of these liquidated damages shall not in any way change, or affect the provisions of Part II, Section 33.0, Indemnification.

- 49.6 The rights and remedies of the COUNTY provided in this Section 49.0 shall not be exclusive and are in addition to any rights and remedies provided by law or under this Contract.

50.0 TERMINATION FOR CONVENIENCE

- 50.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the COUNTY, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) Days after the notice is sent.
- 50.2 After receipt of a Notice of Termination and except as otherwise directed by COUNTY, the CONTRACTOR shall:

50.2.1 Stop work under this Contract on the date and to the extent specified in such notice, and

50.2.2 Complete performances of such part of the work as shall not have been terminated by such notice.

50.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the CONTRACTOR under this Contract shall be maintained by the CONTRACTOR in accordance with Part II, Section 45.0, Record Retention and Inspection/Audit Settlement.

51.0 TERMINATION FOR IMPROPER CONSIDERATION

51.1 COUNTY may, by written notice to CONTRACTOR, immediately terminate the right of CONTRACTOR to proceed under this Contract if it is found that consideration, in any form, was offered or given by CONTRACTOR, either directly or through an intermediary, to any COUNTY officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the CONTRACTOR's performance pursuant to the Contract. In the event of such termination, the COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by the CONTRACTOR.

51.2 CONTRACTOR shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with the supervision of the employee or to the COUNTY Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

51.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

52.0 TERMINATION FOR INSOLVENCY

52.1 COUNTY may terminate this Contract forthwith in the event of the occurrence of any of the following:

52.1.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts for at least sixty (60) Days in the ordinary course of business or cannot

pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Law and whether or not the CONTRACTOR is insolvent within the meaning of the Federal Bankruptcy Code;

52.1.2 The filing of a voluntary or involuntary petition regarding the CONTRACTOR under the Federal Bankruptcy Code;

52.1.3 The appointment of a Receiver or Trustee for CONTRACTOR; or

52.1.4 The execution by the CONTRACTOR of a general assignment for the benefit of creditors.

52.2 The rights and remedies of the COUNTY provided in this Section 52.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

53.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

CONTRACTOR and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles COUNTY Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the COUNTY Lobbyist Ordinance, Los Angeles COUNTY Code Chapter 2.160. Failure on the part of CONTRACTOR or any COUNTY lobbyist or COUNTY lobbying firm retained by CONTRACTOR to fully comply with the COUNTY Lobbyist Ordinance shall constitute a material breach of this Contract upon which COUNTY may, in its sole discretion, immediately terminate or suspend this Contract.

54.0 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the COUNTY shall not be obligated for the CONTRACTOR's performance hereunder or by any provision of this Contract during any of the COUNTY's future fiscal years unless and until the COUNTY's Board of Supervisors appropriates funds for this Contract in the COUNTY's Budget for each future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The COUNTY shall notify the CONTRACTOR in writing of any such non-allocation of funds at the earliest possible time.

55.0 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstances is held invalid, the remainder of this Contract and the application of such provision to other person or circumstances shall not be affected thereby.

56.0 WAIVER

No waiver by the COUNTY of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the COUNTY to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Section 56.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

57.0 WARRANTY AGAINST CONTINGENT FEES

57.1 CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business.

57.2 For breach of this warranty, the COUNTY shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

COUNTY OF LOS ANGELES
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Officer thereof, and CONTRACTOR has caused this Contract to be subscribed in its behalf by its duly authorized officer as of the day, month and year first above written. The person signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Los Angeles County
Board of Supervisors

By _____

CONTRACTOR

By _____

Name _____

Title _____

By _____

Name _____

Title _____

Tax Identification Number

APPROVED AS TO FORM:

BY THE OFFICE OF COUNTY COUNSEL
RAYMOND G. FORTNER, JR., County Counsel

BY _____
David Beaudet, Deputy County Counsel

EXHIBIT A: STATEMENT OF WORK

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PREAMBLE

For over a decade, the County has collaborated with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human services that support achievement of the County's vision, goals, values, and adopted outcomes. Key to these efforts is the integration of service delivery systems and the adoption of the Customer Service and Satisfaction Standards.

The County of Los Angeles' Vision is to improve the quality of life in the County by providing responsive, efficient, and high quality public services that promote the self-sufficiency, well-being and prosperity of individuals, families, business and communities. This philosophy of teamwork and collaboration is anchored in the shared values of:

- Responsiveness
- Professionalism
- Accountability
- Compassion
- Integrity
- Commitment
- A Can-Do Attitude
- Respect for Diversity

These shared values are encompassed in the County Mission to enrich lives through effective and caring service and the County Strategic Plan's eight goals: 1) Service Excellence; 2) Workforce Excellence; 3) Organizational Effectiveness; 4) Fiscal Responsibility; 5) Children and Families' Well-Being; 6) Community Services; 7) Health and Mental Health; and 8) Public Safety. Improving the well-being of children and families requires coordination, collaboration, and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies, and community and contracting partners.

The basic conditions that represent the well-being we seek for all children and families in Los Angeles County are delineated in the following five outcomes, adopted by the Board of Supervisors in January 1993.

- Good Health;
- Economic Well-Being;
- Safety and Survival;
- Emotional and Social Well-Being; and
- Education and Workforce Readiness.

Recognizing no single strategy - in isolation - can achieve the County's outcomes of well-being for children and families, consensus has emerged among County and community leaders that making substantial improvements in integrating the County's health and human services system is necessary to significantly move toward achieving these outcomes. The County has also established the values and goals for guiding this effort to integrate the health and human services delivery system:

- Families are treated with respect in every encounter they have with the health, educational, and social services systems.
- Families can easily access a broad range of services to address their needs, build on their strengths, and achieve their goals.
- There is no "wrong door": wherever a family enters the system is the right place.
- Families receive services tailored to their unique situations and needs.
- Service providers and advocates involve families in the process of determining service plans, and proactively provide families with coordinated and comprehensive information, services, and resources.
- The County service system is flexible, able to respond to service demands for both the Countywide population and specific population groups.
- The County service system acts to strengthen communities, recognizing that just as individuals live in families, families live in communities.
- In supporting families and communities, County agencies work seamlessly with public and private service providers, community-based organizations, and other community partners.
- County agencies and their partners work together seamlessly to demonstrate substantial progress towards making the system more strength-based, family-focused, culturally-competent, accessible, user-friendly, responsive, cohesive, efficient, professional, and accountable.
- County agencies and their partners focus on administrative and operational enhancements to optimize the sharing of information, resources, and best practices while also protecting the privacy rights of families.
- County agencies and their partners pursue multi-disciplinary service delivery, a single service plan, staff development opportunities,

infrastructure enhancements, customer service and satisfaction evaluation, and revenue maximization.

- County agencies and their partner create incentives to reinforce the direction toward service integration and a seamless service delivery system.
- The County human service system embraces a commitment to the disciplined pursuit of results accountability across systems. Specifically, any strategy designed to improve the County human services system for children and families should ultimately be judged by whether it helps achieve the County's five outcomes for children and families: good health, safety and survival, economic well being, social and emotional well-being, and education and workforce readiness.

The County, its clients, contracting partners, and the community are working together to develop practical ways to make County services more accessible, customer friendly, better integrated, and outcome-focused. Several departments have identified shared themes in their strategic plans for achieving these goals including: making an effort to become more consumer/client-focused; valuing community partnerships and collaborations; emphasizing values and integrity; and using a strengths-based and multi-disciplinary team approach. County departments are also working to provide the Board of Supervisors and the community with a better understanding of how resources are being utilized, how well services are being provided, and what are the results of the services: is anyone better off?

The County of Los Angeles health and human service departments and their partners are working together to achieve the following Customer Service And Satisfaction Standards in support of improving outcomes for children and families.

Personal Service Delivery

The service delivery team – staff and volunteers – will treat customers and each other with courtesy, dignity, and respect.

- Introduce themselves by name
- Listen carefully and patiently to customers
- Be responsive to cultural and linguistic needs
- Explain procedures clearly
- Build on the strengths of families and communities

Service Access

Service providers will work proactively to facilitate customer access to services.

- Provide services as promptly as possible
- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

Service Environment

Service providers will deliver services in a clean, safe, and welcoming environment, which supports the effective delivery of services.

- Ensure a safe environment
- Ensure a professional atmosphere
- Display vision, mission, and values statements
- Provide a clean and comfortable waiting area
- Ensure privacy
- Post complaint and appeals procedures

The basis for all County health and human services contracts is the provision of the highest level of quality services that support improved outcomes for children and families. The County and its contracting partners must work together and share a commitment to achieve a common vision, goals, outcomes, and standards for providing services.

STATEMENT OF WORK

1.0 INTRODUCTION

Since 1996, DCFS has required persons suspected of drug and/or alcohol addictions who are parents or primary caregivers of children receiving DCFS services to provide urine samples for drug testing. Urine sample collection, drug and alcohol testing is required where parents or primary caregivers of children receiving DCFS services are suspected of illicit drug and/or alcohol addictions and the children have been assessed to be safe in the home of their parents or primary caregiver so long as these caregivers are not consuming illicit drugs or excess amounts of alcohol. Often this is a final attempt to avoid out-of-home placement of children, or to facilitate the reunification of children who have been placed out-of-home where an assessment has been made that the parents or primary caregivers have a drug or alcohol addiction.

2.0 DEFINITIONS

The following words as used herein shall be construed to have the following meanings, unless otherwise apparent from the context in which they are used:

- 2.1 Alcohol Testing - A method of measuring the presence of alcohol in a person's body through analysis of urine specimen.
- 2.2 Chain of Custody – Procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of specimen collection to final disposition of the specimen.
- 2.3 Children's Social Worker (CSW) – Social Workers with the Department of Children and Family Services (DCFS) managing caseloads of children who are under the supervision and custody of DCFS.
- 2.4 Client's Hotline Number – A toll free number maintained by the COUNTY where the CONTRACTOR records a message, Sundays through Thursdays between 6:00 p.m. and 6:30 p.m., indicating the first letter of the last name of those clients who must report for random testing along with the day and date on which the specimens will be collected.
- 2.5 Collection Sites – A place designated by CONTRACTOR where COUNTY clients present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs. The

sites have all necessary personnel, materials, equipment, facilities and supervision to provide for the collection, security, temporary storage, and shipping or transportation of urine specimen to a certified drug-testing laboratory.

- 2.6 Contract Start Date – The date the CONTRACTOR begins work (start of the basic contract period) in accordance with the term of the contract.
- 2.7 CONTRACTOR – The sole proprietor, partnership, or corporation that has entered into a contract with the COUNTY to perform or execute the work covered by Exhibit A, Statement of Work.
- 2.8 CONTRACTOR's Project Director (CPD) – CONTRACTOR's officer or employee responsible for administering the Contract in accordance with the Statement of Work.
- 2.9 COUNTY – The Department of Children and Family Services on behalf of the County of Los Angeles and its Board of Supervisors.
- 2.10 COUNTY Project Manager (CPM) – COUNTY representative responsible for daily management of contract operation and the oversight of monitoring activities, compliance with the requirements of the Contract and the delivery of services.
- 2.11 COUNTY Random Drug and Alcohol Testing Program – Testing schedule whereby clients are selected to test on a randomly selected day once during each period of ten business days and no more than two times per month. The clients are informed of the days on which they have been selected to test by means of a call-in message system maintained recorded by the CONTRACTOR.
- 2.12 Dependency Court – A component of the Los Angeles Superior Court Juvenile Division that has jurisdiction over cases involving child abuse, neglect and exploitation.
- 2.13 Director – Director of Department of Children and Family Services or an authorized representative thereof.
- 2.14 Drug Panel – An assay designed for qualitative determination of drug substances in human urine specimens.
- 2.15 Drug Testing – A method of measuring the presence of drug in a person's body through analysis of urine specimen.

- 2.16 EMIT – Enzyme Multiplied Immuno-Assay Technique – a screening or initial test that uses antibodies to detect the presence of a drug or metabolite in urine. It is used to eliminate “negative” urine specimens from further consideration and to identify the presumptively positive specimens that require confirmation or further testing.
- 2.17 GCMS – Gas Chromatography/Mass Spectrometry – a confirmatory test to identify the presence of specific drug or metabolite. It is a combination of two different analytical techniques. Gas chromatography physically separates the various substances that have been extracted from a specimen. Mass spectrometry is the technique used to provide a positive identification of substances that were separated by the gas chromatograph.
- 2.18 On-Demand – A test requested usually for the same day the referral is submitted or for a specific date chosen by the CSW or Dependency Court.
- 2.19 Quality Assurance Plan – The plan developed by CONTRACTOR which defines all necessary measures to be taken by the Contractor to assure that the quality of the service will meet the contract requirements regarding timelines, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in the agreement’s Statement of Work.
- 2.20 Referral – An authorization for drug and alcohol testing issued either by the Dependency Court or the CSW to the COUNTY client to provide urine specimen at a specific time and location.
- 2.21 Specialized Schedule – Testing is set on a regular frequency or interval (i.e., twice a week or once a month) for a specific period of time as determined by the Dependency Court or the CSW.
- 2.22 Subcontract – A contract by which a third party agrees to provide activities/services or materials necessary to fulfill an original contract.
- 2.23 Urine Specimen Collection – The process of gathering urine samples provided by the clients as ordered by the Dependency Court or the CSW.
- 2.24 User Complaint Report (UCR) – A report prepared by COUNTY personnel to document incidents involving faulty performance by the CONTRACTOR.

3.0 SCOPE OF WORK

CONTRACTOR shall provide Urine Sample Collection and Drug and Alcohol Testing services to the COUNTY as specified in this Contract. CONTRACTOR shall provide sufficient staff, equipment, supplies and facilities and multiple collection sites to perform the services of this Contract.

- 3.1 CONTRACTOR shall ensure that all collection practices be performed by sufficiently qualified individuals in accordance with all applicable laws and with a respectful and sensitive response to COUNTY clients who are referred for testing.
- 3.2 Urine analyses shall be conducted by a laboratory certified by Substance Abuse and Mental Health Services Administration (SAMHSA); or College of American Pathologists Forensic Urine Drug Testing (CAP/FUDT); or other certification of equal or greater technical rigor.
- 3.3 CONTRACTOR shall certify and report the results of individual urine tests within seventy-two (72) hours of the sample collection.
- 3.4 CONTRACTOR shall assist the COUNTY with the development of the referral procedures and/or other procedures and/or forms necessary to the operation of the services of this Contract. Refer to Section 7.0, Referrals: Review and Scheduling, of this Statement of Work.

4.0 CONTRACTOR'S REQUIREMENTS AND RESPONSIBILITIES

- 4.1 CONTRACTOR shall provide a Project Director to manage all operations in connection with providing the services of this Contract. The CONTRACTOR's Project Director (CPD) is responsible for maintaining communication with DCFS, as needed, to address any concerns and/or potential problems in the performance of the requirements of this Contract.
 - 4.1.1 The name and phone number of the Program Director and that of an alternate who is authorized to act on behalf of the CONTRACTOR in the Program Director's absence shall be designated in writing under CONTRACTOR'S Administration, Exhibit B, Attachment E.
 - 4.1.2 The CPD and designated alternate must be able to read, write, speak and understand English.

- 4.1.3 CONTRACTOR shall immediately notify the COUNTY's Program Manager of any change in the CPD.
- 4.1.4 The CPD or designated alternate shall be available to COUNTY's authorized personnel during normal work hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except COUNTY holidays.
- 4.1.5 CPD shall respond to any and all subsequent pages within one (1) hour.
- 4.1.6 CONTRACTOR shall provide sufficient personnel, competent to perform all work in accordance with the requirements of the Contract. The CPD or other manager in the employ of the CONTRACTOR shall supervise all of the CONTRACTOR's personnel.
- 4.1.7 CONTRACTOR shall immediately notify COUNTY of any changes in CONTRACTOR's authorized personnel that may affect the operation of this Contract. Such personnel changes are subject to the approval of the County Program Manager or designated alternate.
- 4.1.8 CONTRACTOR shall not permit any employee to perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance, which might impair the employee's physical or mental performance.
- 4.1.9 The COUNTY Program Manager may, at his or her sole discretion, direct the CONTRACTOR to remove any of its personnel who the COUNTY Program Manager determines has performed acts, which are inimical to the interest of children or which otherwise made it inappropriate for such persons to be assigned to the provision of these Contract services.
- 4.1.10 CONTRACTOR agrees that any work performed outside the scope of this Statement of Work shall be deemed a gratuitous act on the part of CONTRACTOR and, therefore, CONTRACTOR shall have no claim against COUNTY.
- 4.1.11 CONTRACTOR shall comply with all of the requirements and timeframes specified in the SOW.

5.0 COUNTY'S REQUIREMENTS AND RESPONSIBILITIES

- 5.1 The COUNTY shall provide a Program Manager to coordinate the delivery of the services of this Contract with the CPD.
- 5.2 The COUNTY's Program Manager (CPM) and designated alternate is:

Debbie Guiloff
(213) 639-4586/e-mail: guilod@dcfs.co.la.ca.us

Donna Fernandez
(213) 639-4804/e-mail: fernadc@dcfs.co.la.ca.us
3075 Wilshire Blvd.
Los Angeles, CA 90010
- 5.3 The CPM shall provide direction to CONTRACTOR in areas relating to DCFS policy, information and procedural requirements.
- 5.4 The CPM is not authorized to make any changes in the terms and conditions of this Contract and is not authorized to obligate the COUNTY in anyway whatsoever beyond the terms of this Contract.
- 5.5 The COUNTY shall have full authority to monitor CONTRACTOR's performance in the day-to-day operation of this contract.
- 5.6 Monitoring may be performed by the COUNTY Program Manager (CPM) or designated alternate or any other individual or group designated by the COUNTY.
- 5.7 COUNTY will submit to CONTRACTOR a User Complaint Report (Exhibit A-2) whenever the requirements of this Contract are not being met.

6.0 STAFFING

CONTRACTOR shall provide sufficient and qualified staff to: (1) accept and review referrals submitted by COUNTY and other authorized individuals and schedule urine sample collections according to the terms of this agreement; (2) conduct urine sample collections and prepare samples for appropriate laboratory analysis at each collection site; (3) provide appropriate laboratory analysis; (4) render the appropriate certification, reports, or results and submit to the COUNTY or appropriate authority(ies); (5) provide consultation and answer questions; and (6) act as witnesses as to the testing process and chain of custody in the event that appearances in related court cases are required.

- 6.1 CONTRACTOR shall provide consultation to DCFS staff to answer questions and provide information on individual drug tests and/or testing process. The consultation shall be provided by a person meeting the criteria as set forth in the Department of Health and Human Services, Mandatory Guidelines for Federal Workplace Drug Testing Programs, Subpart B-Scientific and Technical Requirements, Section 2.3, Exhibit B, Attachment K. In providing consultation, CONTRACTOR shall adhere at all times to DCFS guidelines and all applicable laws regarding confidentiality of clients.

7.0 REFERRALS: REVIEW AND SCHEDULING

COUNTY Children's Services Workers (CSWs) may refer a client at any time, and may request that a client be tested based on one or more of the following methods: (1) by COUNTY Random Drug and Alcohol Testing Program; (2) on an "On-Demand" basis as specified in this Contract; (3) Specialized Schedule as ordered by the Dependency Court; or (4) on an as needed basis based on the CSW's assessment of the client's needs. When a client is to be tested other than the COUNTY Random Drug and Alcohol Testing Program, the CSW will indicate the Specialized Schedule in the referral form, and submit the form to the CONTRACTOR via fax or Internet or other secured method. (Refer to Exhibit B, Attachment N, Sample DCFS Forms for Urine Sample Collection and Drug and Alcohol Testing Program).

- 7.1 CONTRACTOR shall accept all completed referrals of DCFS clients, who shall be one of the following: (1) birth parents; (2) primary caregivers; and (3) potential caregivers.
- 7.2 Referrals will be submitted by: (1) DCFS CSWs; or (2) the Dependency Court.
- 7.3 Referrals will be submitted primarily by secure Internet transmission (based on current industry standards, acceptable by COUNTY), or other secured electronic online method, or by fax as an alternate or back up method.
- 7.4 When visiting clients, CSWs may refer clients for testing by providing the client with a hardcopy of an approved referral form without previously referring client online or via fax. CONTRACTOR's collection sites shall accept such referrals as long as the date on the referral corresponds to the date the client presents for testing. CSWs will submit an online referral or by fax upon returning to the office.

- 7.4.1 Such referrals shall be attached to the chain of custody and forwarded to CONTRACTOR's appropriate staff with the urine sample for processing.
- 7.4.2 Upon receiving referrals from a Collection Site, CONTRACTOR staff shall verify that a referral has been submitted by the CSW online or via fax.
- 7.4.3 If a faxed or online referral has not been received, CONTRACTOR shall notify the CPM, and fax the referral to the CPM.
- 7.5 CONTRACTOR shall not accept referrals for alcohol and/or drug testing for any minor unless the CSW has informed CONTRACTOR that the minor is a parent in a DCFS case. If the CSW has not indicated that the minor is a parent, then CONTRACTOR shall immediately contact the CSW. The CONTRACTOR shall refer the CSW to the policy and procedures in Alcohol and Drug Testing Guidelines found in the Drug Testing Website, posted on DCFS' Intranet "LAKids".
- 7.6 CONTRACTOR shall terminate clients from DCFS Drug and Alcohol Testing Program within one (1) business day from receipt of the Termination Form from the CSW.

CONTRACTOR shall assist the COUNTY with the development of the referral procedures and/or other procedures and/or forms necessary for the provisions of the contract services.

8.0 COLLECTION SITES/COLLECTION PROCESS

CONTRACTOR shall provide directly or by subcontract on a countywide basis, professional Collection Sites for the purpose of collecting urine specimens from COUNTY clients. CONTRACTOR shall operate the Collection Sites Monday through Friday, at a minimum of eight (8) hours per day, between 7:00 a.m. and 7:00 p.m., additional hours or days may be provided by CONTRACTOR at no additional cost to COUNTY.

- 8.1 CONTRACTOR shall ensure that all Collection Sites perform urine specimen collection by direct observation of the collection witnessed by a person of the same sex as the client giving the specimen, and that the site begins and maintains a verifiable and reliable chain of custody. All Collection Site practices shall be performed by sufficiently qualified individuals in accordance with all applicable laws and with a respectful

and sensitive response to COUNTY clients who are referred for testing.

- 8.2 CONTRACTOR shall maintain a minimum of nineteen (19) Collection Sites dispersed throughout the eight (8) Service Planning Areas (SPAs) in the County of Los Angeles. CONTRACTOR shall refer to Exhibit B, Attachment M, (Listing of Priority ZIP Code Areas for Collection Sites) in establishing the Collection Sites, which identifies geographical areas in Los Angeles County where there is a COUNTY client need for Collection Sites.
- 8.3 CONTRACTOR shall provide a minimum number of Collection Sites for each SPA or group of ZIP codes indicated in Exhibit B, Attachment M, (Listing of Priority ZIP Code Areas for Collection Sites).
- 8.4 CONTRACTOR shall provide notice to CPM two (2) weeks in advance of any change in Collection Site location or hours of operation. Changes in Collection Sites are subject to the approval of the COUNTY.
- 8.5 CONTRACTOR shall ensure that COUNTY clients who provide urine specimens at the Collection Sites do so only with prior written authorization for On-Demand or specialized testing by the COUNTY or in accordance with the COUNTY Random Drug and Alcohol Testing Program. Refer to Section 9.0, Toll Free Number for County Clients.
- 8.6 CONTRACTOR shall request COUNTY clients to produce a photo identification document (e.g., Driver's license, passport, employer identification card, etc) and verify that the client is the person whom he or she claims to be.
 - 8.6.1 COUNTY clients who do not possess a photo identification document will be provided with his/her photograph by the CSW who will stamp at the back of the photograph with a DCFS office stamp, and write the following, "This photograph identifies Name of Client and Date of Birth, for the purpose of alcohol and drug testing only."
- 8.7 CONTRACTOR shall give each client, who has given a urine specimen a copy of the "Chain of Custody Form," indicating the date and time of sample collection.
- 8.8 CONTRACTOR shall request COUNTY clients to list on the Chain of Custody Form any medications or other substances he or she has taken which might affect the drug and alcohol testing.

- 8.9 Cost(s) for any urine specimens collected by CONTRACTOR that are not in accordance with the COUNTY Random Drug and Alcohol Testing Program or that do not have prior written authorization by COUNTY for On-Demand or specialized testing (utilizing form included in Exhibit B, Attachment N, DCFS Sample Forms for Urine Sample Collection/Drug and Alcohol Testing) may be withheld from payment by DCFS to CONTRACTOR.
- 8.10 CONTRACTOR shall provide to CPM a monthly report indicating the number of samples collected for each invoiced period. The report shall be submitted with each monthly CONTRACTOR invoice and shall be required before COUNTY's Program Manager grants approval of CONTRACTOR invoice. The report should list separately the number of alcohol only tests and the number of drug and alcohol tests performed. The report should also include the number of tests that were confirmed positive for each category.
- 8.11 CONTRACTOR shall provide the CPM, on a monthly basis, a complete list denoting the date and letters which were selected for random testing for each invoiced period.

9.0 TOLL FREE NUMBER FOR COUNTY CLIENTS

CONTRACTOR shall administer and operate a toll free Client Hotline Number for the COUNTY Random Drug and Alcohol Testing Program. COUNTY shall bear the cost of maintaining the telephone line.

- 9.1 The recorded message shall be in both English and Spanish and shall indicate the first letter of the last name of those individuals who must report for random testing along with the day and date on which the specimens will be collected.
- 9.2 Each letter of the alphabet shall be announced on the recorded message one time during a ten-day workday schedule cycle (a maximum of two (2) tests per month). There shall be no deviation from this testing frequency unless previously approved by the COUNTY's Program Manager.
- 9.3 CONTRACTOR shall change the recorded message for the following day, Sundays through Thursdays between 6:00 p.m and 6:30 p.m.
- 9.4 CONTRACTOR shall operate the toll free number in the manner described above unless the County's Program Manager approves an alternate method.

10.0 SPECIMEN SCREENING

CONTRACTOR shall perform an initial screening on all urine specimens submitted for alcohol and/or drug testing to detect positive or negative screening results based on the substances indicated below, and at the cutoff levels (e.g., ng/m, mg/dl and/or ug/ml) established by COUNTY. CONTRACTOR shall conduct such screening by utilizing Enzyme Multiplied Immuno-Assay Technique (EMIT) testing.

- 10.1 All urine specimens initially screened as negative for the substances noted shall be reported as negative. All urine specimens, which are positive in the initial screen, shall be subjected to further confirmation of positive results as described below.
- 10.2 CONTRACTOR shall perform confirmation of all urine specimens submitted for drug testing which yield positive results in the initial screening process to substantially determine the validity of positive screen results. The confirmation shall be conducted by utilizing Gas Chromatography/Mass Spectrometry (GCMS).
- 10.3 When requests for outside retests of specimens are made by the COUNTY or the Dependency Court, the CONTRACTOR shall send the specimen to the designated outside laboratory at no charge to DCFS. The requestor shall make all necessary arrangements with the outside laboratory performing the retest.

11.0 DRUG ANALYSIS AND CERTIFICATION

CONTRACTOR shall analyze all urine specimens collected for drug testing for a Drug Panel to include Amphetamines (Amphetamine, Methamphetamine, and MDMA/Methylenedioxymethamphetamine), Cocaine Metabolites, Cannabinoids, Phencyclidine, and Opiates (Codeine, Morphine, and Hydrocodone). In addition, special drug tests can be performed, if requested by the CSW, for Barbiturates, Benzodiazepines, Propoxyphene, Meperidine, Methadone, Petazocine, Doriden and Oxycontin at a cost to be agreed upon in advance by COUNTY and CONTRACTOR.

- 11.1 All drug analyses shall be conducted by a laboratory certified by the Substance Abuse and Mental Health Services Administration (SAMHSA); or College of American Pathologists Forensic Urine Drug Testing (CAP/FUDT); or some other certification of equal or greater technical rigor. CONTRACTOR shall provide proof of the certification. For those laboratories not certified by either SAMHSA or CAP/FUDT, CONTRACTOR shall provide documents demonstrating that their

certification is of equal or greater technical rigor than SAMHSA or CAP/FUDT.

12.0 ALCOHOL ANALYSIS AND CERTIFICATION

CONTRACTOR shall analyze urine specimens collected for alcohol testing for clients testing specifically for alcohol, or for alcohol tests specified in conjunction with drug tests.

- 12.1 COUNTY shall identify, in the referral document, clients who are known to be diabetic and who are referred for alcohol testing. At no cost to COUNTY, CONTRACTOR shall add a preservative to urine specimens obtained from identified diabetics and intended for urine alcohol testing or the specimen may be frozen to inhibit fermentation.
- 12.2 If CONTRACTOR identifies as glucose positive a urine specimen of a client who has not been identified as diabetic by COUNTY, the CONTRACTOR shall notify the CSW, within one (1) business day from the end of the day in which the glucose positive was identified. Notification shall be provided by Internet or a written notification shall be provided by fax, or delivered by courier or United States Postal Service at CONTRACTOR's expense.
- 12.3 All alcohol analyses shall be conducted by a laboratory certified by the Substance Abuse and Mental Health Services Administration (SAMHSA); or the College of American Pathologists Forensic Urine Drug Testing (CAP/FUDT); or some other certification of equal or greater technical rigor. CONTRACTOR shall provide proof of the certification. For those laboratories not certified by either SAMHSA or CAP/FUDT, CONTRACTOR shall provide documents demonstrating that their certification is of equal or greater technical rigor than SAMHSA or CAP/FUDT.

13.0 CHAIN OF CUSTODY

CONTRACTOR shall maintain a continuous chain of custody for all urine specimens collected for drug and/or alcohol testing utilizing the Chain of Custody Form and according to standard industry practice. CONTRACTOR shall account for the integrity of each specimen by tracking its handling from the point of collection to its final disposition.

- 13.1 All urine specimens, which are collected and test negative shall be maintained in storage, at CONTRACTOR's expense, for a period of not less than 14 days from the date the specimen was collected.

- 13.2 All urine specimens, which are collected and test positive shall be maintained in storage, at CONTRACTOR's expense, for a period of not less than one year from the date the specimen was collected.

14.0 WARM LINE

CONTRACTOR shall establish and maintain a "warm line" defined as a designated toll free telephone line for DCFS CSWs, the Dependency Court, and other designated COUNTY personnel to provide information and consultation on test results and the COUNTY's procedures/process related to Drug and Alcohol Testing. CONTRACTOR shall respond to inquiries through the phone line Monday through Friday, during the hours of 8:00 a.m. to 5:00 p.m.

- 14.1 This line shall not ring busy, shall be picked up by the fourth ring and shall be answered by the CONTRACTOR.
- 14.2 CONTRACTOR shall provide COUNTY's Program Manager with a monthly written report providing the total number of inquiries received. The report shall be submitted with each monthly CONTRACTOR invoice and shall be required before COUNTY's Program Manager grants approval of CONTRACTOR invoice. This report shall be an accurate and complete reflection of the number of inquiries made to the "warm line."

15.0 RECORD KEEPING

CONTRACTOR shall maintain all records including, but not limited to, dates, test results for each client served, recordings of the chain of custody for each urine specimen collected and other information pertaining to urine specimen collection and urinalysis testing for drugs and alcohol as requested by DCFS for a period of one year after the expiration of this Contract. CONTRACTOR shall maintain such records using appropriate drug testing forms and according to standard industry practice.

16.0 TEST RESULTS AND REPORTS

16.1 Test Results

- 16.1.1 CONTRACTOR shall provide to the referring DCFS CSW a written report of results of each client alcohol and/or drug test analysis with the following information, including, but not limited to:

- The client's name;

- Client's date of birth or age;
- Last four (4) digits of client's social security number (if available);
- DCFS Case or Referral Number (if client is associated with more than one case or referral number, all associated case or referral numbers must be listed);
- Name(s) of minor in the case;
- Whether referral is Court-ordered;
- Whether the test is part of the Random Program or On-Demand or Specialized test;
- DCFS CSW's office location;
- DCFS CSW's name (if the client is associated with more than one CSW, all associated CSWs must be listed);
- DCFS CSW's file number (if client is associated with more than one file number, all associated file numbers must be listed);
- Date of report;
- Dates of sample collection, initial testing, preliminary report of positive or negative test confirmation, and if applicable, final report of sample that had a preliminary positive report.
- A listing of the Drug Panel and any special additional tests specified above and requested by the CSW, and corresponding results for each drug test with cutoff levels, and;
- In case of a missed test, the date of the missed test.

16.1.2 Drug and/or alcohol testing results should be posted according to the following schedule:

- Negative testing results and missed tests (No-Show Reports) shall be reported within one (1) business day from the end of the day the client provided a urine specimen or was scheduled to test.
- Positive alcohol and/or drug test result notification shall be reported within three (3) business days, from the end of the day the client provided a urine specimen.

16.1.3 When the specimen provided by the client is tested for both drugs and alcohol, the notifications for the drug test results and alcohol test results need to be reported simultaneously and as a combined notification within the timeframes established for each as stated in this Contract.

16.1.4 CONTRACTOR shall deliver the testing results and no-show reports by faxing them to designated facsimile machines at DCFS offices until such time that an internet-based means of delivery is established by the COUNTY. CONTRACTOR agrees to make reasonable best efforts to cooperate in the development and implementation of an internet-based system.

16.1.5 In anticipation of the implementation of an internet-based system to deliver drug testing results to DCFS social workers, CONTRACTOR shall have the following equipment:

- IBM or 100% personal computer with the equivalent or better than Pentium III or 500 MHz capabilities
- 256 megabytes of memory or more
- Desktop screen resolution of at least 1024 x 768
- Microsoft Windows 2000, Microsoft Windows XP, or any 100% compatible operating system
- High speed internet access, i.e. cable modem or DSL

16.2 Monthly Reports

16.2.1 CONTRACTOR shall submit to the Program Manager and DCFS Finance on a monthly basis a hard-copy of the report and a disk with the invoice in Excel format, a Service Report containing the following information:

- New Admits (as described in Section 8.0)
 - On-Demand Participants
 - Random Program Participants
- Terminated Clients
- Alcohol plus Drug Screens
 - Alcohol Confirmations
 - Drug Confirmations
- Alcohol Screens
 - Confirmations
- Total Clients Enrolled
 - On-Demand Participants
 - Random Program Participants
- No-Show Reports
 - On-Demand Participants
 - Random Program Participants
- Total Court Ordered
 - On-Demand Participants
 - Random Program Participants
- Warm Line

16.2.2 CONTRACTOR shall format the invoice in a manner as determined by the COUNTY and the CPM.

16.2.3 CONTRACTOR shall submit to the CPM, as requested, reports in Excel format including, but not limited to the following:

- During the first week of the month, a report listing the new admits to the random program. The report shall contain the following:
 - Name of referring COUNTY Office
 - Name of referring CSW
 - File Number of referring CSW
 - Name of Client
 - Case Number
 - Date of Referral
 - Whether Client is Court-ordered to test
- During the first week of the month, a report listing the new admits for On-Demand and specialized schedule testing. The report shall contain the following information:
 - Name of referring COUNTY Office
 - Name of referring CSW
 - File Number of referring CSW
 - Name of Client
 - Case Number
 - Date of Referral
 - Whether Client is Court-ordered to test
- Ad-hoc reports (e.g., names, office locations, and drugs of clients who have had confirmed positive alcohol and drug testing results).

17.0 QUALITY CONTROL PLAN

CONTRACTOR shall provide a comprehensive quality control plan to be utilized by the CONTRACTOR to ensure the required services are provided as specified. CONTRACTOR's quality control plan shall define all deliverable services specified in the Exhibit A, Statement of Work, and state how these deliverables will be supplied.

17.1 The quality control plan shall demonstrate how the objectives for the contracted activities/services will be met, and must assure that the

quality of the service will meet or exceed COUNTY requirements regarding timeliness, accuracy, effectiveness and completeness. The quality control plan shall explain how policies and procedures will be disseminated, implemented and utilized by CONTRACTOR staff.

17.2 CONTRACTOR's quality control plan shall also establish a continuous quality improvement process plan to periodically review and assure all requirements of the contract are met or exceeded. The plan shall include an identified monitoring system covering all the services listed in the Exhibit A, Statement of Work, and methods for identifying and preventing deficiencies in the quality of services, specifically, the following factors must be included in the Quality Control Plan:

- Activities to be monitored to ensure compliance with all Statement of Work requirements;
- Monitoring methods to be used;
- Frequency of monitoring;
- Samples of forms to be used in monitoring
- Title/level and qualifications of personnel performing monitoring functions, and;
- File of all monitoring results, including any corrective action taken.

18.0 PROCESS COORDINATION

CONTRACTOR shall assist the COUNTY, as requested, with the improvement of the DCFS Drug and Alcohol Testing Program.

18.1 CONTRACTOR shall assist the succeeding vendor in the development and establishment of a urine specimen collection and drug and alcohol testing program. CONTRACTOR shall give assistance to the succeeding vendor, including but not limited to: (1) methods of record management; (2) sample collection and drug and alcohol testing; (3) evaluation of the Program's effectiveness and quality assurance; (4) methods of obtaining background information on current or prospective employees; and (5) all other relevant information to ensure successful transition of service.

PERFORMANCE REQUIREMENT SUMMARY (PRS)

Required Services	Performance Standard	Monitoring Method	Remedies for Non-Compliance with Performance Standard	Default
Legitimate referrals are reviewed and scheduled on the same day that they are received from DCFS Children Social Workers (CSWs) or the Dependency Court. (Paragraph 7.0)	100% compliance	COUNTY monitors CONTRACTOR compliance with the Contract.	<p>If two (2) UCRs are submitted in a twelve-month period that indicate that CONTRACTOR is not in compliance with paragraphs 7.0 through 18.0 of the Statement of Work, and/or any other provision of the Contract, CONTRACTOR shall submit within 24-hours from the receipt of the UCR a written Corrective Action Plan to the COUNTY with an explanation of the problem and plan for correcting the problem, subject to COUNTY approval.</p> <p>The COUNTY may impose a single deduction from CONTRACTOR's invoice in the amount of \$100 when the following occurs:</p>	<p>The COUNTY may terminate this Contract in accordance with Section 50.0 Termination for Contractor's Default, of the Contract if five (5) or more UCRs are submitted and one or more of the following conditions apply:</p> <ol style="list-style-type: none"> 1) UCRs were submitted in a twelve-month period; and 2) UCRs indicate any manner of non-compliance or failure to perform the services <p>(Cont'd from</p>
Collection sites are properly maintained and operated, Monday through Friday, at a minimum of 8 hours per day, to collect urine specimens as scheduled from County clients. (Paragraph 8.0)	100% compliance	CPM receives notices from other DCF users.		
A toll free number for clients to call is properly maintained and operated, 24 hours a day, 7 days a week, with recorded messages both in English and Spanish, to provide random drug test schedules to clients. (Paragraph 9.0)	100% compliance	CPM receives results of any audit regarding CONTRACTOR compliance.		
All urine specimens are screened, analyzed and certified within 72 hours of urine sample collection utilizing appropriate test methods and procedures in accordance with standard industry practice. (Paragraphs 10.0 to 12.0)	100% compliance	CPM notifies and submits to CONTRACTOR a User Compliant Report (UCR) for each separate incident of non-compliance.		
Integrity of all urine specimens is maintained and preserved from the point of collection to its final disposition using appropriate drug testing specimen chain of custody forms in accordance with standard industry practice. (Paragraph 13.0)	100% compliance			

PERFORMANCE REQUIREMENT SUMMARY (PRS)

<p>The "Warm Line" telephone number is properly maintained and operated, Monday through Friday, from 8:00 am to 5:00 pm, to provide prompt and courteous response to inquiries from DCFS CSWs, <u>the</u> Dependency Courts and other designated County personnel regarding drug test results and drug test procedures/process (Paragraph 14.0)</p>	<p>100% compliance</p>	<p>Same as in Page 1</p>	<p>(Cont'd from Page 1)</p> <ol style="list-style-type: none"> 1) For each UCR over two (2) submitted in a twelve month period that indicates that CONTRACTOR is not in compliance with paragraphs 7.0 through 18.0 of the SOW, and/or any other provisions of the Contract; or 2) Each Corrective Action Plan submitted by CONTRACTOR that does not meet with the COUNTY's approval. 	<p>Page 1)</p> <p>specified in this Contract and SOW; and</p> <ol style="list-style-type: none"> 3) Corrective Action Plans submitted by CONTRACTOR in response to UCRs were not acceptable to the COUNTY; or 4) CONTRACTOR did not submit a Corrective Action Plan for any of the five (5) UCRs.
<p>Written report of test results and all other records and reports required in the Statement of Work (SOW) are to be submitted to the County Program Manager in a timely manner with all the required information and on the frequency stated in the SOW. Paragraphs 15.0 and 16.0)</p>	<p>100% compliance</p>			
<p>An attainable and comprehensive Quality Control Plan is established to ensure the required services are provided and the quality of work are met as specified in the SOW. (Paragraph 17.0)</p>	<p>100% compliance</p>			
<p>Contractor shall give assistance and coordination to the County and succeeding vendor in the development and improvement of the DCFS Drug and Alcohol Testing Program (Paragraph 18.0)</p>	<p>100% compliance</p>			

**USER COMPLAINT REPORT (UCR)
DCFS DRUG AND ALCOHOL TESTING SERVICES**

This form is to be used by DCFS users of the DCFS Drug and Alcohol Testing Services to report service discrepancies and failure to conduct collection of urine sample/drug and alcohol testing. This User Complaint Report must be delivered immediately to the County Program Manager for this Contract.

Date of Report: _____ DCFS User Name: _____
DCFS Office Address: _____
Phone No. _____ E-mail Address: _____
Date(s) of Incident(s): _____

Below, please check the appropriate boxes and explain each incident separately:

- ☐ Contractor's Project Director is not responding to messages.
- ☐ Contractor's staff not available or not responding to messages.
- ☐ Contractor making staff changes without notification to the County.
- ☐ Illegal or inappropriate behavior by Contractor's staff.
- ☐ Contractor not submitting reports or maintaining records as required.
- ☐ Contractor unable to receive Referral Requests as required.
- ☐ Collection sites not properly staffed and maintained as specified in the Contract.
- ☐ Contractor not properly maintaining warm line and 800 number as specified in the Contract.
- ☐ Contractor not complying with the referral/database requirements as specified in the Contract.
- ☐ Contractor not complying with the quality assurance requirements as specified in the Contract.
- ☐ Other (describe): _____

To report an urgent/serious problem, call Debbie Guilloff at: (213) 639-4586

Send UCR to Debbie Guilloff, Program Manager, at 3075 Wilshire Blvd., Los Angeles, CA 90010 and a copy to Contracts Administration, 425 Shatto Place, Room 400, Los Angeles, CA 90020.

**URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES
PRICING SCHEDULE**

Prices include all applicable charges and costs associated with collection, chain of custody, screening, confirmation of positive results, storage, administration, provision of seminars and any other costs necessary to properly complete the project as outlined in the Contract and Statement of Work.

TABLE A: URINE TESTING FOR ALCOHOL

A	B	C
Estimated Annual Tests	Cost Per Sample	Extended Cost (A times B = C)
2,000	\$ 9.00	\$ 18,000

TABLE B: URINE TESTING FOR BOTH ALCOHOL AND DRUGS

A	B	C
Estimated Annual Tests	Cost Per Sample	Extended Cost (A times B = C)
47,200	\$ 21.99	\$1,037,928

**TABLE C: BIDDERS OVERALL TOTAL COST
(To be Completed by the County)**

Total Cost for Table A	\$ 18,000
Total Cost for Table B	\$ 1,037,928
TOTAL ANNUAL COST	\$ 1,055,928

LINE ITEM BUDGET

LINE ITEM BUDGET SHEET

Contractor's Name: Pacific Toxicology Laboratories

Service Category: Drug Testing Services Date Prepared: 9-19-05

DIRECT COST (List each staff classification)

Payroll:	FTE*	Hourly Rate	Monthly Salary
Accessioning Supv	0.25	\$22.00	\$ 963
Accessioners	3.75	\$10.00	\$6,563
Data Entry Clerks	1.00	\$10.00	\$1,750
Client Service Rep (Lead)	1.00	\$17.00	\$2,975
Client Service Rep	1.00	\$14.00	\$2,450
Laboratory Director (RP)	0.25	\$35.00	\$1,531
Analyst	0.75	\$15.00	\$1,969
Med. Technologist	0.95	\$20.50	\$3,408
Analyst Confirm	0.50	\$15.00	\$1,313
Supply Clerk	0.20	\$19.00	\$ 665
Billing Coordinator	0.20	\$16.50	\$ 578
IT Manager	0.10	\$22.00	\$ 385
Financial Manager	0.05	\$35.00	\$ 306

Total Salaries and Wages \$24,854

***FTE = Full Time Equivalent Positions**

Employee Benefits	No. of Employees	Monthly Cost per FTE
Medical Insurance	6	\$1,170
Dental Insurance	6	\$ 330

Total Benefits \$ 1,500

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Workers' Compensation, etc.)

Workers Compensation	\$ 1,019
Social Security (FICA)	\$ 1,541
Medicare	\$ 360
FUTA	\$ 199
SUI	\$ 1,541

Total Payroll Taxes \$ 4,660

Other Direct Costs

Collection Fees	\$ 30,750
Collection Kits	\$ 598
Chains of Custody	\$ 1,038
Reagent and Lab Supplies	\$ 12,319
Communications	\$ 800

Total Other Direct Costs \$ 45,506

TOTAL DIRECT COSTS \$ 76,520

INDIRECT COST (List all appropriate)

Transportation	\$ 5,000
Rent, Utilities, etc	\$ 2,500
Insurance	\$ 500

TOTAL INDIRECT COSTS	\$ 8,000
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TOTAL DIRECT AND INDIRECT COST	\$84,520
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PROFIT (3.95%)	\$ 3,474
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TOTAL MONTHLY COSTS	<u>\$87,994</u>
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EXHIBIT B: ATTACHMENTS

ATTACHMENT A

AUDITOR–CONTROLLER CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

The following handbook is designed for inclusion in most contracts for services entered into by County departments. The purpose of the handbook is to establish accounting, internal control, financial reporting, and contract administration standards for organizations (contractors) who contract with the County.

AUDITOR-CONTROLLER CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for entities (contractor), which contract with the Los Angeles County.

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all-inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR's accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The CONTRACTOR's subcontractors must also follow these standards unless otherwise stated in the Agreement.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

Contractors may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

- 1.1 The County recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- ◆ Only accruals where cash will be disbursed within six months of the accrual date should be recorded.
- ◆ Recorded accruals must be reversed in the subsequent accounting period.

1.2 If an agent elects to use the cash basis for recording financial transactions during the year:

- ◆ Necessary adjustments must be made to record the accruals at the beginning and the end of the contract.
- ◆ All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement year to the extent goods and services are received during that Agreement year.

2.0 Accounting System

Each agent shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The County recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis.

2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:	DR	CR
Rent Expense	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., County warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
 - County payments (one per funding source)
 - Contributions
 - Other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)
- Description (Entries in the description column must specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.)

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- ☐ date
- ☐ check number
- ☐ cash (credit) column
- ☐ expense account name
- ☐ description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenues. Separate accounts must be maintained for each County program's expenses and revenues.

2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- ☐ The County recommends that agents use the expense account titles on the monthly invoice submitted to the County.
- ☐ If the contractor uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- ☐ Contractor must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

2.6 Payroll Register

The County recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- ☐ Name
- ☐ Position
- ☐ Social Security Number
- ☐ Salary (hourly wage)
- ☐ Payment Record including:
 - ☐ accrual period
 - ☐ gross pay
 - ☐ itemized payroll deductions
 - ☐ net pay amount
 - ☐ check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursement journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

Contractor will ensure compliance with Internal Revenue Service guidelines in properly classifying employees and independent contractors.

2.7 Contractor Invoices

Each agent shall present an invoice to the County each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the contract period. Invoices shall be prepared in the manner prescribed by the County's contracting department.

3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR's accounting records or supporting documentation shall be immediately reported to the County.

3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the CONTRACTOR's agreement.

3.2 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts and canceled checks will be required to support an outlay of funds. Unsupported disbursements will be disallowed on audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs. Photocopied invoices or receipts, any internally generated documents (i.e., vouchers, request for check forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.

Supporting documentation is required for various types of expenditures as follows:

Payroll – time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program accounting for total work time on a daily basis for all employees, records showing actual expenditures for Social Security and unemployment insurance, State and federal quarterly tax returns, federal W-2 forms, and federal W-4 forms.

Consultant Services – contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

Travel – travel policies of the CONTRACTOR (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and mileage. Travel related to conferences should include conference literature detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable federal guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum County's reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum COUNTY reimbursement rate for employees for a single occupancy hotel accommodation.

Operating Expenses (e.g., utilities, office supplies, equipment rentals, etc.) – bona fide contracts or lease agreements, if any, and invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the CONTRACTOR may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

Outside Meals - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

3.3 Payments to Affiliated Organizations or Persons

CONTRACTOR shall not make payments to affiliated organizations or persons for program expenses (e.g., salaries, services, rent, etc.) that exceed the lower of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement. County shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

3.4 Filing

All relevant supporting documentation for reported program expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks – numerically
- invoices – vendor name and date
- vouchers – numerically
- receipts – chronologically
- timecards – pay period and alphabetically

3.5 Referencing

Accounting transactions posted to the CONTRACTOR's books shall be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the CONTRACTOR's books be cross-referenced to the supporting documentation as follows:

- □ invoices – vendor name and date
- □ checks – number
- □ vouchers – number
- □ revenue – receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable contract expenditures.

5.0 Audits

The agent will make available for inspection and audit to County representatives, upon request, during working hours, during the duration of the contract and for a period of five years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the County. All such books and records shall be maintained at a location within Los Angeles County.

6.0 Single Audit Requirements

OMB Circular 133, "Audits of State, Local Governments and Non Profit Organizations" requires that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the respective Circular.

A copy of any Single Audit reports must be filed with the County within the timeframes prescribed by the applicable Circular.

7.0 Subcontracts

No CONTRACTOR shall subcontract services without the prior written consent of the County.

CONTRACTOR shall provide County with copies of all executed subcontracts and shall be responsible for the performance of their subcontractors.

B. INTERNAL CONTROLS

Internal controls safeguard the CONTRACTOR's assets from misappropriations, misstatements or misuse. Each CONTRACTOR shall prepare necessary written procedures establishing internal controls for its personnel. The CONTRACTOR shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1 Separate Fund or Cost Center

All contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable).

1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

1.4 Bank Reconciliation

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions.

Monthly bank reconciliation should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliation should be signed by both the preparer and the reviewer. Reconciling items should be resolved timely.

Disbursements

2.1 General

All disbursements for expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise specified in contract.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in contract.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

2.2 Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the CONTRACTOR (e.g., postage due, small purchases of office supply items, etc.). The

CONTRACTOR must obtain written approval from the County to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices i.e., payment by check).

The petty cash fund shall be maintained on an imprest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

2.4 Credit Cards

The use of credit cards, both CONTRACTOR issued credit cards and an employee's personal credit cards used on behalf of the CONTRACTOR, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the CONTRACTOR's name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total hours charged to each of the

CONTRACTOR's programs. Time estimates do not qualify as support for payroll expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship Status
- Benefit balances (e.g., sick time, vacation, etc.)

Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

Limitations on Positions and Salaries

The CONTRACTOR shall pay no salaries higher than those authorized in the contract, or the attachments thereto, except as proscribed by state or federal law.

If an employee serves in the same or dual capacities under more than one Agreement or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.

Salaried employees who work less than 40 hours per week shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The CONTRACTOR will make no retroactive salary adjustment for any employee without written approval from the County.

Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

4.0 Fixed Assets

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two years. The County recommends all fixed assets with an acquisition cost of \$1,000 or more per unit be capitalized.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

4.1 Acquisition

Fixed asset purchases shall be approved by the Agency's Board of Directors or their authorized representative.

4.2 Identification and Inventory

All fixed assets purchased with Contract funds are to be used solely for the benefit of the Contract and should be appropriately tagged.

Each CONTRACTOR shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

4.3 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and theft of County property.

4.4 Property Management

The CONTRACTOR shall assume responsibility and accountability for the maintenance of all non-expandable property purchased, leased, or rented with Contract funds.

The CONTRACTOR shall report promptly, in writing, to the County all cases of theft, loss, damage, or destruction of fixed assets. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and a copy of the law enforcement report.

CONTRACTOR shall dispose of or return to the County all fixed assets, in accordance with their Contract.

- 5.0 Bonding – All officers, employees, and agents who handle cash or have access to the agent's funds shall be bonded.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the COUNTY to provide funds for the purpose of CONTRACTOR providing services required by the Agreement. CONTRACTOR shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

1.1. Limitations on Expenditures of Program Funds

CONTRACTOR shall comply with the Agreement and the applicable OMB Circular. The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a CONTRACTOR is unsure of the allowability of any particular type of cost or individual cost, the CONTRACTOR should request advance written approval from the County prior to incurring the cost.

1.2 Expenses Incurred Outside the Agreement Period

Expenses charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination date.

1.3 Budget Limitation

Expenses may not exceed the maximum limits shown on the contract budget.

1.4 Unspent Funds

The County will determine the disposition of unspent program funds upon termination of the contract.

1.5 Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocation of Cost Pools

For CONTRACTORS that provide services in addition to the services required under contract, the CONTRACTOR shall allocate expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible.

The CONTRACTOR shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

- Number of direct hours spent on each program
- Number of employees in each program
- Square footage occupied by each program
- Other equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, depreciation and use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs (excluding capital expenditures and other distorting items such as subcontractor payments)

2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs:

- Simplified allocation method

- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example

Agency-wide indirect costs	\$250,000
Less: Capital expenditures	<u>10,000</u>
Allocable indirect costs	240,000
Total agency-wide indirect salaries	\$1,000,000
Indirect cost rate (\$240,000/\$1,000,000)	24%
Program direct salaries	\$100,000
Program indirect costs (24% x \$100,000)	<u>\$24,000</u>

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for depreciation, rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

2.4 Cost Allocation Plan

If the CONTRACTOR has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by County.

If the CONTRACTOR does not have a negotiated indirect cost rate, CONTRACTOR shall submit an annual Agency-wide Cost Allocation Plan when requested by County. The Cost Allocation Plan shall be prepared in accordance with County instructions and the applicable OMB Circular and include the following information:

1. CONTRACTOR general accounting policies:
 - Basis of accounting (cash or accrual)
 - Fiscal year
 - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
 - indirect cost rate allocation base
2. Identify the CONTRACTOR's direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rates for use on all their Federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency providing the most funds to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR shall submit a copy of the approval letter to COUNTY upon request.

D. UNALLOWABLE COSTS

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions

- Contributions and donations
- Fines and penalties
- Fundraising activities
- Interest expense (unless expressly allowed by Federal guidelines)
- Losses on other awards

E. OVERPAYMENTS

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted to the County and used as a basis for payments to the CONTRACTOR were inaccurate, County shall determine the total overpayment and require the CONTRACTOR to repay County. The County may withhold payments from CONTRACTOR's future payments for any amounts not returned to the COUNTY or credited to the Contract unless otherwise prohibited by State or federal regulations.

F. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the Agreement. CONTRACTOR must notify County when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming the COUNTY as an additional insured.

2.0 Activity

No funds, materials, property, or services contributed to the COUNTY or the CONTRACTOR under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. November 2002)

Have You Told Your Employees About the
Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

A change to note. Workers **cannot** claim the EIC if their 2002 investment income (such as interest and dividends) is over \$2,550.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

Note: *You are encouraged to notify each employee whose wages for 2002 are less than \$34,178 that he or she may be eligible for the EIC.*

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS **Form W-2**, Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B**.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2003.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS Web Site at www.irs.gov.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2002 instructions for Form 1040, 1040A, 1040EZ, or **Pub. 596**, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?
Notice 1015

(Rev. 11-2002)

Eligible employees claim the EIC on their 2002 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2002 and owes no tax but is eligible for a credit of \$791, he or she must file a 2002 tax return to get the \$791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2003 can get part of the credit with their pay during the year by giving you a completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You **must** include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see **Pub. 15**, Employer's Tax Guide.

Notice 1015
(Rev. 11-2002)

“Contractor Employee Jury Service”**Los Angeles County Code Sections 2.203.010 through 2.203.090****2.203.010 Findings.**

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002).

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county.
- D. “Full time” means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer.
- E. “County” means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0015 § 1 (part), 2002).

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence two or more months after the effective date of this chapter. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence two or more months after the effective date of this chapter. (Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002).

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

- 1. Recommend to the board of supervisors the termination of the contract; and/or,
- 2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002).

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All Proposers or Bidders, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the Proposer or Bidder is excepted from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
Solicitation For (Type of Goods or Services):		

Complete Part I or Part II below, as appropriate.

Part I - Application for Exception From the Program

I request an exception from the Program for the following reason(s) (check the appropriate box(es) and attach documentation that supports your claim):

- ☐ My business does not meet the definition of "contractor," as defined in the Program," because my business has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000 in any 12 month period). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has 10 or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than 10 employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II - Certification of Compliance

My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

SAFELY SURRENDERED BABY LAW

No shame. No blame. No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



**In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org**



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Krabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(*Health and Human Services Agency*)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(*Department of Social Services*)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apollada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado tener este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adónde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

Cada recién nacido merece una oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmelo qué otras opciones tiene.

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S PROJECT DIRECTOR:

Name: Laura Morales
Title: Project Director
Address: 9348 De Soto Avenue
Chatsworth, CA 91311
Telephone: 1-877-688-6940
Facsimile: (818) 598-8488
E-Mail Address: lmorales@pactox.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Thomas Kosco
Title: President and Chief Executive Officer
Address: 9348 De Soto Avenue
Chatsworth, CA 91311
Telephone: (818) 598 - 3110 Ext. 405
Facsimile: (818) 882 - 0259
E-Mail Address: tkosco@pactox.com

Name: Greg Carroll
Title: Chief Financial Officer
Address: 9348 De Soto Avenue
Chatsworth, CA 91311
Telephone: (818) 598 - 3110 Ext. 402
Facsimile: (818) 882 - 0259
E-Mail Address: gcarroll@pactox.com

COUNTY'S ADMINISTRATION
Urine Sample Collection/Drug and Alcohol Testing Services

COUNTY PROJECT DIRECTOR:

Name: Donna Fernandez
Title: Children Services Administrator III
Address: 3075 Wilshire Blvd.
Los Angeles, CA 90010
Telephone: (213) 639 – 4804
Facsimile: (213) 351 – 2469
E-Mail Address: _____

COUNTY PROJECT MANAGER:

Name: Debbie Guiloff
Title: Children Services Administrator I
Address: 3075 Wilshire Blvd.
Los Angeles, CA 90010
Telephone: (213) 639 – 4586
Facsimile: (213) 351 – 2496
E-Mail Address: guilod@dcfs.co.la.ca.us

COUNTY CONTRACT PROJECT MONITOR:

Name: SAME AS ABOVE
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
E-Mail Address: _____

CHARITABLE CONTRIBUTION CERTIFICATION

Company Name

Address

Internal Revenue Service Employer Identification Number

California Registry of Charitable Trusts "CT" Number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

CERTIFICATION

YES NO

Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Contractor engages in activities subjecting it to those laws during the term of any resulting agreement with the County, it will timely comply with them and provide County with a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

YES NO

Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with Registry of Charitable Trusts as required by Title 11 California Code of Regulations, Sections 300-301 and Government Code Sections 12585-12586.

Signature

Date

Name and Title (Please type or print)

CERTIFICATION OF INDEPENDENT PRICE DETERMINATION

1.0 Certification of Independent Price Determination

I, the contractor certify that the prices herein have been arrived at independently without consultation, communication, or agreement with any other applicant or competitor for the purpose of restricting competition.

2.0 List Name(s) and telephone number(s) of the person(s) authorized to legally commit the Contractor:

Name

Phone Number

Legal Name of Contractor

Tax ID Number

Name and Title of Signer

Signature

Date

**COUNTY OF LOS ANGELES
POLICY ON DOING BUSINESS WITH SMALL BUSINESS**

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE...

The importance of small business to the County...

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow...

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that bidders or Bidders for County contracts submit certifications of Program compliance to the soliciting County department along with their bids or bids. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR BID OR BID. IN ADDITION, PROVIDE A COPY TO THE CHILD SUPPORT SERVICES DEPARTMENT AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in bid or bid) _____, hereby submit this certification to the (County Department) _____, pursuant to the provisions of County Code Section 2.200.060 and hereby certify that (Bidder name as shown in bid or bid) _____, an independently-owned or franchiser-owned business (circle one), located at _____ (Bidder or, if an association, associated member address) _____ is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

Submitted a completed Principal Owner Information Form to the Child Support Services Department;

Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;

Fully complied with all lawfully served Wages and Earnings Withholding Orders or Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____ (Month and Year)

at: _____ (City/State) _____ (Telephone No.)

by: _____ (Signature of a Principal Owner, an officer or manager responsible for submission of the bid or bid to the County)

Copy to: Child Support Services Department
Special Projects
P. O. Box 91109
Los Angeles, CA 90091-1099
FAX: (323) 832-0634
Telephone: (323) 832-7277 or (323) 832-7276

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
MANDATORY GUIDELINES FOR FEDERAL WORKPLACE DRUG TESTING
PROGRAMS**

Subpart B - Scientific and Technical Requirements

- 2.1 The Drugs.
 - 2.2 Specimen Collection Procedures.
 - 2.3 Laboratory Personnel.
 - 2.4 Laboratory Analysis Procedures.
 - 2.5 Quality Assurance and Quality Control.
 - 2.6 Reporting and Review of Results.
 - 2.7 Protection of Employee Records.
 - 2.8 Individual Access to Test and Laboratory Certification Results.
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Subpart B - Scientific and Technical Requirements

Section 2.1 The Drugs.

(a) The President's Executive Order 12564 defines "illegal drugs" as those included in Schedule I or II of the Controlled Substances Act (CSA), but not when used pursuant to a valid prescription or when used as otherwise authorized by law. Hundreds of drugs are covered under Schedule I and II and while it is not feasible to test routinely for all of them, Federal drug testing programs shall test for drugs as follows:

(1) Federal agency applicant and random drug testing programs shall at a minimum test for marijuana and cocaine;

(2) Federal agency applicant and random drug testing programs are also authorized to test for opiates, amphetamines, and phencyclidine; and

(3) When conducting reasonable suspicion, accident, or unsafe practice testing, a Federal agency may test for any drug listed in Schedule I or II of the CSA.

(b) Any agency covered by these guidelines shall petition the Secretary in writing for approval to include in its testing protocols any drugs (or classes of drugs) not listed for Federal agency testing in paragraph (a) of this section. Such approval shall be limited to the use of the appropriate science and technology and shall not otherwise limit agency discretion to test for any drugs covered under Schedule I or II of the CSA.

(c) Urine specimens collected pursuant to Executive Order 12564, Pub. L. 100-71, and these Guidelines shall be used only to test for those drugs included in agency drug-free workplace plans and may not be used to conduct any other analysis or test unless otherwise authorized by law except if additional testing is

required to determine the validity of the specimen. Urine that tests negative by initial or confirmatory testing may, however, be pooled for use in the laboratory's internal quality control program.

(d) These Guidelines are not intended to limit any agency which is specifically authorized by law to include additional categories of drugs in the drug testing of its own employees or employees in its regulated industries.

Section 2.2 Specimen Collection Procedures.

(a) *Designation of Collection Site.* Each agency drug testing program shall have one or more designated collection sites which have all necessary personnel, materials, equipment, facilities, and supervision to provide for the collection, security, temporary storage, and shipping or transportation of urine specimens to a certified drug testing laboratory.

(b) *Security.* Procedures shall provide for the designated collection site to be secure. If a collection site facility is dedicated solely to urine collection, it shall be secure at all times. If a facility cannot be dedicated solely to drug testing, the portion of the facility used for testing shall be secured during drug testing.

(c) *Chain of Custody.* Chain of custody standardized forms shall be properly executed by authorized collection site personnel upon receipt of specimens. Handling and transportation of urine specimens from one authorized individual or place to another shall always be accomplished through chain of custody procedures. Every effort shall be made to minimize the number of persons handling specimens.

(d) *Access to Authorized Personnel Only.* No unauthorized personnel shall be permitted in any part of the designated collection site when urine specimens are collected or stored.

(e) *Privacy.* Procedures for collecting urine specimens shall allow individual privacy unless there is reason to believe that a particular donor may alter or substitute the specimen to be provided.

(f) *Integrity and Identity of Specimen.* Agencies shall take precautions to ensure that a urine specimen not be adulterated or diluted during the collection procedure and that information on the urine bottle and on the specimen chain of custody form can identify the donor from whom the specimen was collected. The following minimum precautions shall be taken to ensure that unadulterated specimens are obtained and correctly identified:

(1) To deter the dilution of specimens at the collection site, toilet bluing agents shall be placed in toilet tanks wherever possible, so the reservoir of water in the toilet bowl always remains blue. There shall be no other source of water (e.g., no shower or sink) in the enclosure where urination occurs.

(2) When a donor arrives at the collection site, the collection site person shall request the donor to present photo identification. If the donor does not have proper photo identification, the collection site person shall contact the supervisor of the donor, the coordinator of the drug testing program, or any other agency official who can positively identify the donor. If the donor's identity cannot be established, the collection site person shall not proceed with the collection.

(3) If the donor fails to arrive at the assigned time, the collection site person shall contact the appropriate authority to obtain guidance on the action to be taken.

(4) The collection site person shall ask the donor to remove any unnecessary outer garments such as a coat or jacket that might conceal items or substances that could be used to tamper with or adulterate the donor's urine specimen. The collection site person shall ensure that all personal belongings such as a purse or briefcase remain with the outer garments. The donor may retain his or her wallet.

(5) The donor shall be instructed to wash and dry his or her hands prior to urination.

(6) After washing hands, the donor shall remain in the presence of the collection site person and shall not have access to any water fountain, faucet, soap dispenser, cleaning agent, or any other materials which could be used to adulterate the specimen.

(7) The collection site person shall give the donor a clean specimen bottle or specimen container. The donor may provide his/her specimen in the privacy of a stall or otherwise partitioned area that allows for individual privacy.

(8) The collection site person shall note any unusual behavior or appearance on the specimen chain of custody form.

(9) In the exceptional event that an agency-designated collection site is not accessible and there is an immediate requirement for specimen collection (e.g., an accident investigation), a public rest room may be used according to the following procedures: A person of the same gender as the donor shall accompany the donor into the public rest room which shall be made secure during the collection procedure. If possible, a toilet bluing agent shall be placed in the bowl and any accessible toilet tank. The collection site person shall remain in the rest room, but outside the stall, until the specimen is collected. If no bluing agent is available to deter specimen dilution, the collection site person shall instruct the donor not to flush the toilet until the specimen is delivered to the collection site person. After the collection site person has possession of the specimen, the donor will be instructed to flush the toilet and to participate with the collection site person in completing the chain of custody procedures.

(10) Upon receiving the specimen from the donor, the collection site person shall determine the volume of urine in the specimen bottle/container.

(i) If the volume is greater than 30 milliliters (mL), the collection site person will proceed with step (11) below.

(ii) If the volume is less than 30 mL and the temperature is within the acceptable range specified in step (13) below, the specimen is discarded and a second specimen shall be collected. The donor may be given a reasonable amount of liquid to drink for this purpose (e.g., an 8 oz glass of water every 30 min, but not to exceed a maximum of 24 oz). If the donor fails for any reason to provide 30 mL of urine for the second specimen collected, the collection site person shall contact the appropriate authority to obtain guidance on the action to be taken.

(iii) If the volume is less than 30 mL and the temperature is outside the acceptable range specified in step (13) below, a second specimen shall be collected using the procedure specified in step (13) below.

(11) After the specimen has been provided and submitted to the collection site person, the donor shall be allowed to wash his or her hands.

(12) Immediately after the specimen is collected, the collection site person shall measure only the temperature of the specimen. The temperature measuring device used must accurately reflect the temperature of the specimen and not contaminate the specimen. The time from urination to temperature measurement is critical and in no case shall exceed 4 minutes.

(13) If the temperature of the specimen is outside the range of 32 -38 C/90 -100 F, that is a reason to believe that the donor may have altered or substituted the specimen, and another specimen shall be collected under direct observation of a person of the same gender and both specimens shall be forwarded to the laboratory for testing. The agency shall select the observer if there is no collection site person of the same gender available. A donor may volunteer to have his or her oral temperature taken to provide evidence to counter the reason to believe the donor may have altered or substituted the specimen caused by the specimen's temperature falling outside the prescribed range.

(14) Immediately after the specimen is collected, the collection site person shall also inspect the specimen to determine its color and look for any signs of contaminants. Any unusual findings shall be noted on the specimen chain of custody form.

(15) All specimens suspected of being adulterated or diluted shall be forwarded to the laboratory for testing.

(16) When there is any reason to believe that a donor may have altered or substituted the specimen to be provided, another specimen shall be obtained as soon as possible under the direct observation of a person of the same gender and both specimens shall be forwarded to the laboratory for testing. The agency shall select the observer if there is no collection site person of the same gender available.

(17) Both the donor and the collection site person shall keep the specimen bottle/container in view at all times prior to its being sealed and labeled. If the specimen is transferred from a specimen container to a specimen bottle, the collection site person shall request the donor to observe the transfer of the specimen and the placement of the tamper-evident seal/tape on the bottle. The tamper-evident seal may be in the form of evidence tape, a self-sealing bottle cap with both a tamper-evident seal and unique coding, cap and bottle systems that can only be sealed one time, or any other system that ensures any tampering with the specimen will be evident to laboratory personnel during the accessioning process.

(18) The collection site person and the donor shall be present at the same time during procedures outlined in paragraphs (f)(19)-(f)(22) of this section.

(19) The collection site person shall place securely on the specimen bottle an identification label which contains the date, the donor's specimen number, and any other identifying information provided or required by the agency.

(20) The donor shall initial the identification label on the specimen bottle for the purpose of certifying that it is the specimen collected from him or her.

(21) The collection site person shall enter on the specimen chain of custody form all information identifying the specimen.

(22) The donor shall be asked to read and sign a statement on the specimen chain of custody form certifying that the specimen identified as having been collected from him or her is in fact that specimen he or she provided.

(23) Based on a reason to believe that the donor may alter or substitute the specimen to be provided, a higher level supervisor shall review and concur in advance with any decision by a collection site person to obtain a specimen under direct observation. The person directly observing the specimen collection shall be of the same gender. The agency shall select the observer if there is no collection site person of the same gender available.

(24) The collection site person shall complete the specimen chain of custody form.

(25) The urine specimen and specimen chain of custody form are now ready for shipment. If the specimen is not immediately prepared for shipment, it shall be appropriately safeguarded during temporary storage.

(26) While any part of the above chain of custody procedures is being performed, it is essential that the urine specimen and custody documents be under the control of the involved collection site person. If the involved collection site person leaves his or her workstation momentarily, the urine specimen and specimen chain of custody form shall be taken with him or her or shall be secured. After the collection site person returns to the workstation, the custody process will

continue. If the collection site person is leaving for an extended period of time, the specimen shall be packaged for mailing before he or she leaves the site.

(g) *Collection Control.* To the maximum extent possible, collection site personnel shall keep the donor's specimen bottle within sight both before and after the donor has urinated. After the specimen is collected, it shall be properly sealed and labeled. A specimen chain of custody form shall be used for maintaining control and accountability of each specimen. The date and purpose shall be documented on a specimen chain of custody form each time a specimen is handled or transferred and every individual in the chain shall be identified. Every effort shall be made to minimize the number of persons handling specimens.

(h) *Split Specimens.* An agency may, but is not required to, use a split specimen method of collection. If the urine specimen is split into two specimen bottles (hereinafter referred to as Bottle A and Bottle B) the following procedure shall be used:

(1) The donor shall urinate into either a specimen bottle or specimen container. The collection site person, in the presence of the donor, after determining specimen temperature, pours the urine into two specimen bottles that are labeled Bottle A and Bottle B or, if Bottle A was used to collect the specimen, pours an appropriate amount into Bottle B. A minimum of 45 mL of urine is required when using a split specimen procedure, i.e., 30 mL for Bottle A and 15 mL for Bottle B.

(2) The Bottle A specimen, containing a minimum of 30 mL of urine, is to be used for the drug test. If there is no additional urine available for the second specimen bottle (Bottle B), the first specimen bottle (Bottle A) shall nevertheless be processed for testing.

(3) A minimum of 15 mL of urine shall be poured into the second specimen bottle (Bottle B).

(4) All requirements of this part shall be followed with respect to Bottle A and Bottle B, including the requirements that a copy of the chain of custody form accompany each bottle processed under split sample procedures.

(5) The collection site shall send the split specimens (Bottle A and Bottle B) at the same time to the laboratory that will be testing the Bottle A specimen.

(6) If the test of the first specimen bottle (Bottle A) is verified positive by the MRO, the MRO shall report the result to the agency. Only the donor may request through the MRO that the second specimen bottle (Bottle B) be tested in an HHS-certified laboratory for presence of the drug(s) for which a positive result was obtained in the test of the first specimen bottle (Bottle A). The MRO shall honor such a request if it is made within 72 hours of the donor's having received notice that he or she tested positive. The result of this test is transmitted to the MRO without regard to the cutoff levels used to test the first specimen bottle (Bottle A).

(7) Any action taken by a Federal agency as a result of an MRO verified positive drug test (e.g., removal from performing a safety-sensitive function) may proceed whether Bottle B is or is not tested.

(8) If the result of the test on the second specimen bottle (Bottle B) fails to reconfirm the result reported for Bottle A, the MRO shall void the test result for Bottle A and the donor shall re-enter the group subject to random testing as if the test had not been conducted. The MRO shall notify the Federal agency when a failed to reconfirm has occurred and the agency shall contact the Secretary. The Secretary will investigate the failed to reconfirm result and attempt to determine the reason for the inconsistent results between Bottle A and Bottle B. HHS will report its findings to the agency including recommendations and/or actions taken to prevent the recurrence of the failed to reconfirm result.

(i) *Transportation to Laboratory.* Collection site personnel shall arrange to ship the collected specimens to the drug testing laboratory. The specimens shall be placed in containers designed to minimize the possibility of damage during shipment, for example, specimen boxes or padded mailers; and those containers shall be securely sealed to eliminate the possibility of undetected tampering. The collection site personnel shall ensure that the specimen chain of custody form is enclosed within each container sealed for shipment to the drug testing laboratory. Since specimens are sealed in packages that would indicate any tampering during transit to the laboratory and couriers, express carriers, and postal service personnel do not have access to the chain of custody forms, there is no requirement that such personnel document chain of custody for the package during transit.

Section 2.3 Laboratory Personnel.

(a) Day-to-Day Management.

(1) The laboratory shall have a responsible person (RP) to assume professional, organizational, educational, and administrative responsibility for the laboratory's urine drug testing facility.

(2) This individual shall have documented scientific qualifications in analytical forensic toxicology. Minimum qualifications are:

(i) Certification as a laboratory director by the State in forensic or clinical laboratory toxicology; or

(ii) A Ph.D. in one of the natural sciences with an adequate undergraduate and graduate education in biology, chemistry, and pharmacology or toxicology; or

(iii) Training and experience comparable to a Ph.D. in one of the natural sciences, such as a medical or scientific degree with additional training and laboratory/research experience in biology, chemistry, and pharmacology or toxicology; and

(iv) In addition to the requirements in (i),(ii), and (iii) above, minimum qualifications also require:

(A) Appropriate experience in analytical forensic toxicology including experience with the analysis of biological material for drugs of abuse, and

(B) Appropriate training and/or experience in forensic applications of analytical toxicology, e.g., publications, court testimony, research concerning analytical toxicology of drugs of abuse, or other factors which qualify the individual as an expert witness in forensic toxicology.

(3) This individual shall be engaged in and responsible for the day-to-day management of the drug testing laboratory even where another individual has overall responsibility for an entire multispecialty laboratory.

(4) This individual shall be responsible for ensuring that there are enough personnel with adequate training and experience to supervise and conduct the work of the drug testing laboratory. He or she shall assure the continued competency of laboratory personnel by documenting their in-service training, reviewing their work performance, and verifying their skills.

(5) This individual shall be responsible for the laboratory's having a procedure manual which is complete, up-to-date, available for personnel performing tests, and followed by those personnel. The procedure manual shall be reviewed, signed, and dated by this responsible person whenever procedures are first placed into use or changed or when a new individual assumes responsibility for management of the drug testing laboratory. Copies of all procedures and dates on which they are in effect shall be maintained. (Specific contents of the procedure manual are described in section 2.4(n)(1))

(6) This individual shall be responsible for maintaining a quality assurance program to assure the proper performance and reporting of all test results; for maintaining acceptable analytical performance for all controls and standards; for maintaining quality control testing; and for assuring and documenting the validity, reliability, accuracy, precision, and performance characteristics of each test and test system.

(7) This individual shall be responsible for taking all remedial actions necessary to maintain satisfactory operation and performance of the laboratory in response to quality control systems not being within performance specifications, errors in result reporting or in analysis of performance testing results. This individual shall ensure that sample results are not reported until all corrective actions have been taken and he or she can assure that the results provided are accurate and reliable.

(b) *Certifying Test Results.* The laboratory's urine drug testing facility shall have a certifying scientist(s), as defined in section 1.2, who reviews all pertinent data and quality control results in order to attest to the validity of the laboratory's test reports. A laboratory may designate certifying scientists that are qualified to

certify only results that are negative on the initial test and certifying scientists that are qualified to certify both initial and confirmatory tests.

(c) *Day-to-Day Operations and Supervision of Analysts.* The laboratory's urine drug testing facility shall have an individual(s) to be responsible for day-to-day operations and to supervise the technical analysts. This individual(s) shall have at least a bachelor's degree in the chemical or biological sciences or medical technology or equivalent. He or she shall have training and experience in the theory and practice of the procedures used in the laboratory, resulting in his or her thorough understanding of quality control practices and procedures; the review, interpretation, and reporting of test results; maintenance of chain of custody; and proper remedial actions to be taken in response to test systems being out of control limits or detecting aberrant test or quality control results.

(d) *Other Personnel.* Other technicians or nontechnical staff shall have the necessary training and skills for the tasks assigned.

(e) *Training.* The laboratory's urine drug testing program shall make available continuing education programs to meet the needs of laboratory personnel.

(f) *Files.* Laboratory personnel files shall include: resume of training and experience; certification or license, if any; references; job descriptions; records of performance evaluation and advancement; incident reports; and results of tests which establish employee competency for the position he or she holds, such as a test for color blindness, if appropriate.

Section 2.4 Laboratory Analysis Procedures.

(a) *Security and Chain of Custody.* (1) Drug testing laboratories shall be secure at all times. They shall have in place sufficient security measures to control access to the premises and to ensure that no unauthorized personnel handle specimens or gain access to the laboratory processes or to areas where records are stored. Access to these secured areas shall be limited to specifically authorized individuals whose authorization is documented. With the exception of personnel authorized to conduct inspections on behalf of Federal agencies for which the laboratory is engaged in urine testing or on behalf of the Secretary or emergency personnel (e.g., firefighters and medical rescue teams), all authorized visitors and maintenance and service personnel shall be escorted at all times. The laboratory shall maintain a record that documents the dates, time of entry and exit, and purpose of entry of authorized visitors, maintenance, and service personnel accessing secured areas.

(2) Laboratories shall use chain of custody procedures to maintain control and accountability of specimens from receipt through completion of testing, reporting of results, during storage, and continuing until final disposition of specimens. The date and purpose shall be documented on an appropriate chain of custody form each time a specimen is handled or transferred, and every individual in the chain shall be identified. Accordingly, authorized technicians shall be responsible for

each urine specimen or aliquot in their possession and shall sign and complete chain of custody forms for those specimens or aliquots as they are received.

(b) *Receiving.* (1) When a shipment of specimens is received, laboratory personnel shall inspect each package for evidence of possible tampering and compare information on specimen bottles within each package to the information on the accompanying chain of custody forms. Any direct evidence of tampering or discrepancies in the information on specimen bottles and the specimen chain of custody forms attached to the shipment shall be immediately reported to the agency and shall be noted on the specimen chain of custody forms which shall accompany the specimens while they are in the laboratory's possession.

(2) Specimen bottles will normally be retained within the laboratory's accession area until all analyses have been completed. Aliquots and laboratory chain of custody forms shall be used by laboratory personnel for conducting initial and confirmatory tests while the original specimen and specimen chain of custody form remain in secure storage.

(c) *Short-Term Refrigerated Storage.* Specimens that do not receive an initial test within 7 days of arrival at the laboratory shall be placed in secure refrigeration units. Temperatures shall not exceed 6 C. Emergency power equipment shall be available in case of prolonged power failure.

(d) *Specimen Processing.* Laboratory facilities for urine drug testing will normally process specimens by grouping them into batches. The number of specimens in each batch may vary significantly depending on the size of the laboratory and its workload. When conducting either initial or confirmatory tests, every batch shall satisfy the quality control requirements in sections 2.5 (b) and (c), respectively.

(e) *Initial Test.* (1) The initial test shall use an immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for these five drugs or classes of drugs:

Initial Test Level (ng/mL)

Marijuana metabolites.....	50
Cocaine metabolites.....	300
Opiate metabolites.....	300*
Phencyclidine.....	25
Amphetamines.....	1,000

* 25 ng/mL if immunoassay specific for free morphine.

(2) These test levels are subject to change by the Department of Health and Human Services as advances in technology or other considerations warrant identification of these substances at other concentrations. The agency requesting the authorization to include other drugs shall submit to the Secretary in writing the agency's proposed initial test methods, testing levels, and proposed performance test program.

(3) Specimens that test negative on all initial immunoassay tests will be reported negative. No further testing of these negative specimens for drugs is permitted and the specimens shall either be discarded or pooled for use in the laboratory's internal quality control program.

(4) Multiple initial tests (also known as rescreening) for the same drug or drug class may be performed provided that all tests meet all Guideline cutoffs and quality control requirements (see section 2.5(b)). Examples: a test is performed by immunoassay technique "A" for all drugs using the HHS cutoff levels, but presumptive positive amphetamines are forwarded for immunoassay technique "B" to eliminate any possible presumptive positives due to structural analogues; a valid analytical result cannot be obtained using immunoassay technique "A" and immunoassay technique "B" is used in an attempt to obtain a valid analytical result.

(f) *Confirmatory Test.* (1) All specimens identified as positive on the initial test shall be confirmed for the class(es) of drugs screened positive on the initial test using gas chromatography/mass spectrometry (GC/MS) at the cutoff values listed in this paragraph. All confirmations shall be by quantitative analysis. Concentrations which exceed the linear region of the standard curve shall be documented in the laboratory record as "exceeds the linear range of the test."

Confirmatory Test Level (ng/mL)

Marijuana metabolite ¹	15
Cocaine metabolite ²	150
Opiates	
Morphine	300
Codeine	300
Phencyclidine	25
Amphetamines	
Amphetamine	500
Methamphetamine ³	500

1 Delta-9-tetrahydrocannabinol-9-carboxylic acid

2 Benzoyllecgonine

3 Specimen must also contain amphetamine at a concentration > 200 ng/mL

(2) These test levels are subject to change by the Department of Health and Human Services as advances in technology or other considerations warrant identification of these substances at other concentrations. The agency requesting the authorization to include other drugs shall submit to the Secretary in writing the agency's proposed confirmatory test methods, testing levels, and proposed performance test program.

(3) Specimens that test negative on confirmatory tests shall be reported negative. No further testing of these specimens for drugs is permitted and the specimens shall either be discarded or pooled for use in the laboratory's internal quality control program.

(g) *Reporting Results.* (1) The laboratory shall report test results to the agency's MRO within an average of 5 working days after receipt of the specimen by the laboratory. Before any test result is reported (the results of initial tests, confirmatory tests, or quality control data), it shall be reviewed and the test certified as an accurate report by a certifying scientist who satisfies the requirements described by the definition in section 1.2. The report shall identify the drugs/metabolites tested for, whether positive or negative, and the cutoff for each, the specimen number assigned by the agency, and the drug testing laboratory specimen identification number.

(2) Except as otherwise provided by this subsection, the laboratory shall report as negative all specimens which are negative on the initial test or negative on the confirmatory test. Only specimens confirmed positive shall be reported positive for a specific drug. For amphetamines, to report a specimen positive for methamphetamine only, the specimen must also contain amphetamine at a concentration equal to or greater than 200 ng/mL by the confirmatory test. If this criterion is not met, the specimen must be reported as negative for methamphetamine.

(3) The MRO may request from the laboratory and the laboratory shall provide quantitation of test results. The MRO may not disclose quantitation of test results to the agency but shall report only whether the test was positive or negative.

(4) The laboratory may transmit results to the MRO by various electronic means (for example, teleprinters, facsimile, or computer) in a manner designed to ensure confidentiality of the information. Results may not be provided verbally by telephone. The laboratory must ensure the security of the data transmission and limit access to any data transmission, storage, and retrieval system.

(5) The laboratory shall send only to the MRO a certified copy of the original chain of custody form signed by a certifying scientist.

(6) The laboratory shall provide to the agency official responsible for coordination of the drug-free workplace program a monthly statistical summary of urinalysis testing of Federal employees and shall not include in the summary any personal identifying information. Initial and confirmation data shall be included from test results reported within that month. Normally this summary shall be forwarded by registered or certified mail not more than 14 calendar days after the end of the month covered by the summary. The summary shall contain the following information:

Initial Testing:

- (i) Number of specimens received;

- (ii) Number of specimens reported out; and
- (iii) Number of specimens screened positive for:
 - Marijuana metabolites
 - Cocaine metabolites
 - Opiate metabolites
 - Phencyclidine
 - Amphetamines

Confirmatory Testing:

- (i) Number of specimens received for confirmation;
- (ii) Number of specimens confirmed positive for:
 - Marijuana metabolite
 - Cocaine metabolite
 - Morphine, codeine
 - Phencyclidine
 - Amphetamine
 - Methamphetamine

(7) The laboratory shall make available copies of all analytical results for Federal drug testing programs when requested by HHS or any Federal agency for which the laboratory is performing drug testing services.

(8) Unless otherwise instructed by the agency in writing, all records pertaining to a given urine specimen shall be retained by the drug testing laboratory for a minimum of 2 years.

(h) *Long-Term Storage.* Long-term frozen storage (-20 C or less) ensures that positive urine specimens will be available for any necessary retest. Unless otherwise authorized in writing by the agency, drug testing laboratories shall retain and place in properly secured long- term frozen storage for a minimum of 1 year all specimens confirmed positive. Within this 1- year period an agency may request the laboratory to retain the specimen for an additional period of time. If no such request is received, the laboratory may discard the specimen after the end of 1 year, except that the laboratory shall be required to maintain any specimens under legal challenge for an indefinite period.

(i) *Retesting of a Specimen* (i.e., the reanalysis by gas chromatography/mass spectrometry of a specimen previously reported positive or the testing of Bottle B of a split specimen collection). Because some analytes deteriorate or are lost during freezing and/or storage, quantitation for a retest is not subject to a specific cutoff requirement but must provide data sufficient to confirm the presence of the drug or metabolite.

(j) *Subcontracting.* Drug testing laboratories shall not subcontract and shall perform all work with their own personnel and equipment unless otherwise authorized by the agency. The laboratory must be capable of performing testing for the five classes of drugs (marijuana, cocaine, opiates, phencyclidine, and

amphetamines) using the initial immunoassay and confirmatory GC/MS methods specified in these Guidelines.

(k) *Laboratory Facilities.* (1) Laboratory facilities shall comply with applicable provisions of any State licensure requirements.

(2) Laboratories certified in accordance with Subpart C of these Guidelines shall have the capability, at the same laboratory premises, of performing initial and confirmatory tests for each drug or metabolite for which service is offered.

(l) *Inspections.* The Secretary, any Federal agency utilizing the laboratory, or any organization performing laboratory certification on behalf of the Secretary may reserve the right to inspect the laboratory at any time. Agency contracts with laboratories for drug testing, as well as contracts for collection site services, shall permit the agency to conduct unannounced inspections. In addition, prior to the award of a contract the agency may carry out preaward inspections and evaluation of the procedural aspects of the laboratory's drug testing operation.

(m) *Documentation.* The drug testing laboratories shall maintain and make available for at least 2 years documentation of all aspects of the testing process. This 2-year period may be extended upon written notification by HHS or by any Federal agency for which laboratory services are being provided. The required documentation shall include personnel files on all individuals authorized to have access to specimens; chain of custody forms; quality assurance/quality control records; procedure manuals; all test data (including calibration curves and any calculations used in determining test results); reports; performance records on performance testing; performance on certification inspections; and hard copies of computer-generated data. The laboratory shall be required to maintain documents for any specimen under legal challenge for an indefinite period.

(n) *Additional Requirements for Certified Laboratories.*

(1) *Procedure Manual.* Each laboratory shall have a procedure manual which includes the principles of each test, preparation of reagents, standards and controls, calibration procedures, derivation of results, linearity of methods, sensitivity of the methods, cutoff values, mechanisms for reporting results, controls, criteria for unacceptable specimens and results, remedial actions to be taken when the test systems are outside of acceptable limits, reagents and expiration dates, and references. Copies of all procedures and dates on which they are in effect shall be maintained as part of the manual.

(2) *Calibrators and Controls.* Laboratory calibrators and controls shall be prepared using pure drug reference materials, stock standard solutions obtained from other laboratories, or standard solutions obtained from commercial manufacturers. The calibrators and controls shall be properly labeled as to content and concentration. The standards (e.g., pure reference materials, stock standard solutions, purchased standards) shall be labeled with the following

dates: when received (if applicable); when prepared or opened; when placed in service; and expiration date.

(3) *Instruments and Equipment.* (i) Volumetric pipettes and measuring devices shall be certified for accuracy or be checked by gravimetric, colorimetric, or other verification procedure. Automatic pipettes and dilutors shall be checked for accuracy and reproducibility before being placed in service and checked periodically thereafter.

(ii) There shall be written procedures for instrument set-up and normal operation, a schedule for checking critical operating characteristics for all instruments, tolerance limits for acceptable function checks, and instructions for major troubleshooting and repair. Records shall be available on preventive maintenance.

(4) *Remedial Actions.* There shall be written procedures for the actions to be taken when systems are out of acceptable limits or errors are detected. There shall be documentation that these procedures are followed and that all necessary corrective actions are taken. There shall also be in place systems to verify all stages of testing and reporting and documentation that these procedures are followed.

(5) *Personnel Available to Testify at Proceedings.* A laboratory shall have qualified personnel available to testify in an administrative or disciplinary proceeding against a Federal employee when that proceeding is based on positive urinalysis results reported by the laboratory.

(6) *Restrictions.* The laboratory shall not enter into any relationship with an agency's MRO that may be construed as a potential conflict of interest or derive any financial benefit by having an agency use a specific MRO.

Section 2.5 Quality Assurance and Quality Control.

(a) *General.* Drug testing laboratories shall have a quality assurance program which encompasses all aspects of the testing process including but not limited to specimen acquisition, chain of custody, security and reporting of results, initial and confirmatory testing, certification of calibrators and controls, and validation of analytical procedures. Quality assurance procedures shall be designed, implemented, and reviewed to monitor the conduct of each step of the testing process.

(b) *Laboratory Quality Control Requirements for Initial Tests.* Each analytical run of specimens to be screened shall include:

(1) Sample(s) certified to contain no drug (i.e., negative urine samples);

(2) Positive control(s) fortified with drug or metabolite;

(3) At least one positive control with the drug or metabolite at or near the threshold (cutoff);

(4) A sufficient number of calibrators to ensure and document the linearity of the assay method over time in the concentration area of the cutoff. After acceptable values are obtained for the known calibrators, those values will be used to calculate sample data;

(5) A minimum of 10 percent of the total specimens and quality control samples in each analytical run shall be quality control samples; and

(6) One percent of each run, with a minimum of at least one sample, shall be the laboratory's blind quality control samples to appear as normal samples to the laboratory analysts. Implementation of procedures to ensure that carryover does not contaminate the testing of a donor's specimen shall be documented.

(c) *Laboratory Quality Control Requirements for Confirmation Tests.* Each analytical run of specimens to be confirmed shall include:

(1) Sample(s) certified to contain no drug (i.e., negative urine samples);

(2) Positive calibrator(s) and control(s) fortified with drug or metabolite; and

(3) At least one positive control with the drug or metabolite at or near the threshold (cutoff). The linearity and precision of the method shall be periodically documented. Implementation of procedures to ensure that carryover does not contaminate the testing of a donor's specimen shall also be documented.

(d) *Agency Blind Sample Program.*

(1) Agencies shall only purchase blind quality control materials that: (a) have been certified by immunoassay and GC/MS and (b) have stability data which verifies those materials' performance over time.

(2) During the initial 90-day period of any new drug testing program, each agency shall submit blind performance test samples to each laboratory it contracts with in the amount of at least 20 percent of the total number of specimens submitted (up to a maximum of 200 blind samples) and thereafter a minimum of 3 percent blind samples (up to a maximum of 100 blind samples) submitted per quarter.

(3) Approximately 80 percent of the blind quality control samples shall be negative (i.e., certified to contain no drug) and the remaining samples shall be positive for one or more drugs per sample in a distribution such that all the drugs to be tested are included in approximately equal frequencies of challenge. The positive samples shall be spiked only with those drugs for which the agency is testing.

(4) The agency shall investigate any unsatisfactory blind performance test sample results and submit its findings to the Secretary. The Secretary shall continue the investigation to ensure that the laboratory has corrected the cause of the unsatisfactory performance test result. A report of the Secretary's investigative findings and the corrective action taken by the laboratory shall be

sent to the agency contracting officer. The Secretary shall ensure notification of the finding to all other Federal agencies for which the laboratory is engaged in urine drug testing and coordinate any necessary action.

(5) Should a false positive error occur on a blind performance test sample and the error is determined to be an administrative error (clerical, sample mixup, etc.), the Secretary shall require the laboratory to take corrective action to minimize the occurrence of the particular error in the future; and, if there is reason to believe the error could have been systematic, the Secretary may also require review and reanalysis of previously run specimens.

(6) Should a false positive error occur on a blind performance test sample and the error is determined to be a technical or methodological error, the laboratory shall submit all quality control data from the batch of specimens which included the false positive specimen. In addition, the laboratory shall retest all specimens analyzed positive for that drug or metabolite from the time of final resolution of the error back to the time of the last satisfactory performance test cycle. This retesting shall be documented by a statement signed by the Responsible Person. The Secretary may require an on-site review of the laboratory which may be conducted unannounced during any hours of operation of the laboratory. The Secretary has the option of revoking (section 3.13) or suspending (section 3.14) the laboratory's certification or recommending that no further action be taken if the case is one of less serious error in which corrective action has already been taken, thus reasonably assuring that the error will not occur again.

Section 2.6 Reporting and Review of Results.

(a) *Medical Review Officer Shall Review Results.* An essential part of the drug testing program is the final review of results. A positive test result does not automatically identify an employee/applicant as an illegal drug user. An individual with a detailed knowledge of possible alternate medical explanations is essential to the review of results. This review shall be performed by the MRO prior to the transmission of results to agency administrative officials.

(b) *Medical Review Officer - Qualifications and Responsibilities.* The MRO shall be a licensed physician with knowledge of substance abuse disorders. The MRO may be an employee of the agency or a contractor for the agency; however, the MRO shall not be an employee or agent of or have any financial interest in the laboratory for which the MRO is reviewing drug testing results. Additionally, the MRO shall not derive any financial benefit by having an agency use a specific drug testing laboratory or have any agreement with the laboratory that may be construed as a potential conflict of interest. The role of the MRO is to review and interpret positive test results obtained through the agency's testing program. In carrying out this responsibility, the MRO shall examine alternate medical explanations for any positive test result. This action could include conducting a medical interview with the donor, review of the donor's medical history, or review of any other relevant biomedical factors. The MRO shall review all medical records made available by the donor when a confirmed positive test could have

resulted from legally prescribed medication. The MRO shall not, however, consider the results of urine specimens that are not obtained or processed in accordance with these Guidelines.

(c) *Positive Test Result.* Prior to making a final decision to verify a positive test result, the MRO shall give the donor an opportunity to discuss the test result with him or her. Following verification of a positive test result, the MRO shall report the result to the agency's official designated to receive results.

(d) *Verification for Opiates; Review for Prescription Medication.* Before the MRO verifies a confirmed positive result for opiates, he or she shall determine that there is clinical evidence--in addition to the urine test--of illegal use of any opium, opiate, or opium derivative (e.g., morphine/codeine) listed in Schedule I or II of the Controlled Substances Act. This requirement does not apply if the confirmatory procedure for opiates confirms the presence of 6-monoacetylmorphine since the presence of this metabolite is proof of heroin use.

(e) *Reanalysis Authorized.* Should any question arise as to the accuracy or validity of a positive test result, only the MRO is authorized to order a retest of a single specimen or the Bottle A specimen from a split specimen collection. Such retests are authorized only at laboratories certified under these Guidelines.

(f) *Result Consistent with Legal Drug Use.* If the MRO determines there is a legitimate medical explanation for the positive test result, he or she shall take no further action and report the test result as negative.

(g) *Result Scientifically Insufficient.* Additionally, the MRO, based on review of inspection reports, quality control data, and other pertinent results, may determine that the result is scientifically insufficient for further action and declare the test specimen negative. In this situation the MRO may request a retest of the original specimen before making this decision. (The MRO may request that the retest be performed by the same laboratory or, as provided in section 2.6(e), that an aliquot of the original specimen be sent for a retest to an alternate laboratory which is certified in accordance with these Guidelines.) The laboratory shall assist in this review process as requested by the MRO by making available the individual responsible for day-to-day management of the urine drug testing laboratory or other employee who is a forensic toxicologist or who has equivalent forensic experience in urine drug testing, to provide specific consultation as required by the agency. The MRO shall report to the Secretary all negative findings based on scientific insufficiency but shall not include any personal identifying information in such reports.

(h) *Reporting Final Results.* The MRO shall report the final results of the drug tests in writing and in a manner designed to ensure confidentiality of the information.

Section 2.7 Protection of Employee Records.

Consistent with 5 U.S.C. 522a(m) and 48 CFR 24.101-24.104, all laboratory contracts shall require that the contractor comply with the Privacy Act, 5 U.S.C. 522a. In addition, laboratory contracts shall require compliance with patient access and confidentiality provisions of section 503 of Pub. L. 100-71. The agency shall establish a Privacy Act System of Records or modify an existing system, or use any applicable Government-wide system of records to cover both the agency's and the laboratory's records of employee urinalysis results. The contract and the Privacy Act System of Records shall specifically require that employee records be maintained and used with the highest regard for employee privacy.

Section 2.8 Individual Access to Test and Laboratory Certification Results.

In accordance with section 503 of Pub. L. 100-71, any Federal employee who is the subject of a drug test shall, upon written request, have access to any records relating to his or her drug test and any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings.

**AGREEMENT
CONTRACTOR'S OBLIGATIONS UNDER HIPAA**

Under this Agreement, Contractor provides services to County and Contractor receives, has access to, and/or creates Protected Health Information, as defined below, in order to provide those services. County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated under HIPAA, including the "Standards for Privacy of Individually Identifiable Health Information" which are located in Title 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations mandate certain protections for the privacy and security of Protected Health Information. The Privacy Regulations also require County to enter into an agreement with Contractor in order to obtain satisfactory assurance from Contractor that Contractor will appropriately safeguard the Protected Health Information. Disclosure to or use of Protected Health Information by Contractor is prohibited if such an agreement is not in place. Therefore, the parties agree to the terms of this Attachment L.

1.0 DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations, or to other than its employees.
- 1.2 "Individual" means the person who is the subject of Protected Health Information, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.3 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of County. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.
- 1.4 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

- 1.5 “Services” has the same meaning as in this Agreement.
- 1.6 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor’s internal operations.
- 1.7 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Regulations.

2.0 OBLIGATIONS OF CONTRACTOR

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Exhibit N;
- (b) shall Disclose Protected Health Information to County upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Agreement. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation’s minimum necessary standard.

2.3 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to the appropriate Department, within forty-eight (48) hours from the time the Contractor first becomes aware of the non-permitted Use or Disclosure, as follows:

Chief Information Office Privacy Officer
213-974-2166

The initial telephone report shall be followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure, and shall be sent to County’s Chief Information Privacy Officer at:

Chief Information Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 493
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- 2.5. Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations. Contractor shall immediately notify County of any requests made by the Secretary and provide County with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by County available to the Individual(s) identified by County as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from County. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from County.
- 2.7 Amendment of Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by County. Contractor shall make such amendment within ten (10) business days after receipt of request from County in order for County to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Protected Health Information made

by Contractor or its employees, agents, representatives or subcontractors. However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services if such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Contractor under this Sub-section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Sub-section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to County, within ten (10) business days after receipt of request from County, information collected in accordance with this Sub-section 2.8 to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

3.0 OBLIGATION OF COUNTY

- 3.1 Obligation of County. County shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would

affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

4.1 Term. Contractor's obligations under Sub-sections 2.1 (as modified by Sub-section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon County's knowledge of a material breach by Contractor, County shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County; or
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination or cure are feasible, County shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make it infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

1.0 MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors receiving Protected Health Information from Contractor, or creating Protected Health Information for Contractor, on behalf of County, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Exhibit N.

- 5.3 Relationship to Agreement Provisions. In the event that a provision of this Exhibit N is contrary to any other provision of this Agreement, the provision of this Exhibit N shall control.
- 5.4 Regulatory References. A reference in this Agreement to a section in the Privacy Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits County to comply with the Privacy Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for County to comply with the requirements of the Privacy Regulations.

LISTING OF PRIORITY ZIP CODE AREAS FOR COLLECTION SITES/FORM FOR LISTING OF COLLECTION SITES

Service Planning Area 1		
Lancaster*	93534	
	93535	
Palmdale*	93550	

Service Planning Area 2		
Santa Clarita*	91355	
	91354	
	91350	
	91351	
North Hollywood (1)*	91401	91411
	91405	91606
	91406	91607
North Hollywood (2)*	91356	
	91335	

Service Planning Area 3		
Pasadena*	91101	
	91104	
	91106	
Covina*	91722	91790
	91723	91791
	91724	
Pomona*	91767	
	91768	
	91766	

Service Planning Area 4		
Metro North*	90004	90028
	90005	90029
	90017	90038

Service Planning Area 5		
West Los Angeles*	90025	90067
	90035	
	90064	

Service Planning Area 6		
Century (1)*	90008	
	90016	
	90018	
	90062	
Century (2)*	90044	
	90047	
Hawthorne*	90301	90062
	90043	90037
	90302	
Wateridge*	90001	
	90002	
Compton (1) *	90061	
	90222	
	90220	
Compton (2)*	90262	
	90221	
	90723	

Service Planning Area 7		
Belvedere*	90040	90270
	90201	
	90240	
Santa Fe Springs*	90670	90701
	90650	90605
	90604	

Service Planning Area 8		
Lakewood *	90805	90745
	90807	90810
	90806	

* Indicates that a minimum of one collection site is required in this set of zip codes.

**SAMPLE DCFS FORMS FOR URINE SAMPLE COLLECTION/
DRUG AND ALCOHOL TESTING SERVICES**

The following forms are attached:

- DCFS Alcohol - Drug Random Test Referral
- DCFS Alcohol – Drug On Demand Test Referral
- DCFS Alcohol – Drug on Demand/One Time Only Test Referral
- Notice of Termination of Client From Alcohol – Drug Testing Services

**Los Angeles County – Department of Children and Family Services
DCFS ALCOHOL - DRUG RANDOM TEST REFERRAL**

☐ INITIAL REFERRAL ☐ CHANGE

ATTENTION: Please test this client ON DEMAND Today ☐, or on this date ☐, then enroll client in the RANDOM SCHEDULE

☐ ALCOHOL ONLY ☐ DRUGS ONLY ☐ DRUGS AND ALCOHOL

1. CLIENT INFORMATION Note: Information requested in sections 1., 2., and 3., is ABSOLUTELY MANDATORY

Client/Donor's Last Name	First Name	Donor's Birthdate	SSN (If available)	Test Code (Initial of donor's last name ONLY)
DCFS Case # (7 digits) Hotline referral # (19 digits)	Case Name		Is Testing Court Ordered? Yes <input type="checkbox"/> No <input type="checkbox"/>	Referral Date
Name of Minor(s) in the Case				
Is donor taking medication? Yes <input type="checkbox"/> No <input type="checkbox"/>		If yes, please list name(s) of medication(s):		
IS THE DONOR A DIABETIC? (Diabetes might alter the alcohol test results) YES <input type="checkbox"/> NO <input type="checkbox"/>				

2. COLLECTION SITE INFORMATION

Name of Collection Site	Hours of Operation	
Street	City	Zip Code

3. CSW, SCSW INFORMATION

CSW File #	Last Name	First Name	Phone#
SCSW Last Name	First Name	Phone#	Fax#
DCFS Office Name			
Street	City	Zip Code	

4. SPECIAL INSTRUCTIONS FOR DRUG TESTING

Special Instructions - (Include request for specialized schedule here)		
Specialized Schedule - The client is to participate in the following drug testing schedule:		
		(e.g., 1x per month, 2x a week)
The time frame of the testing is: FROM: TO:	COURT ORDERED: YES <input type="checkbox"/> Attach Court Order NO <input type="checkbox"/> If NO, please submit with ARA's signature	ARA's Signature

INSTRUCTIONS TO CSW:

Complete all information legibly. This referral is used to refer a client to (Name of Contractor) for alcohol or drug testing. Please fax completed form to (Name of Contractor) at (Phone Number)
*** Court Number will not be accepted. Writing in the Court number will not allow CSWs to receive test results. The Hotline referral number is used only if the State Number is not available.

INSTRUCTIONS TO CLIENT:

Please call (800) 829-0100 daily (Sunday through Thursday) after 6:30 P.M. to hear if your Test Code has been called. You MUST test on the SAME DAY that your Test Code is scheduled. A test taken on any other day will be considered invalid unless previously approved by your CSW. A missed test is considered to be a positive test. If you are on a specialized drug-testing schedule, your CSW will give you instructions on when to test.
If this referral is not complete or legible, contact your CSW or attorney immediately. You also must present a valid picture ID each time you report for testing. Lack of picture ID will not allow you to test. If you wish to test at a different collection site, please contact your CSW or attorney. If you have any questions regarding your drug testing, please contact your CSW or attorney.

**Los Angeles County – Department of Children and Family Services
DCFS ALCOHOL - DRUG ON DEMAND TEST REFERRAL**

☐ **ALCOHOL ONLY** ☐ **DRUGS ONLY** ☐ **DRUGS AND ALCOHOL**

ATTENTION; (Name of Contractor) The client mentioned below is already enrolled in the DCFS Alcohol – Drug Testing Services, but I would like him/her to test on the date posted below.

1. CLIENT INFORMATION **Note: Information requested in sections 1., 2., and 3., is ABSOLUTELY MANDATORY**

Client/Donor Last Name	First Name	Donor's Birthdate	Donor's Social Security #. (If available)
DCFS Case # (7 digits) Hotline referral # (19 digits)	Case Name	Is Testing Court Ordered? Yes <input type="checkbox"/> No <input type="checkbox"/>	Referral Date
Name of Minor(s) in the case:			
IS THE DONOR A DIABETIC? (Diabetes might alter the alcohol test results) YES <input type="checkbox"/> NO <input type="checkbox"/>			
Is donor taking medication? Yes <input type="checkbox"/> No <input type="checkbox"/>	Indicate the names of the medications		

2. COLLECTION SITE INFORMATION

Name of Collection Site	Hours of Operation	
Street	City	Zip Code

3. CSW INFORMATION

CSW File #	Last Name	First Name	Phone Number
DCFS Office Name			

4. DATE FOR ON DEMAND TESTING

TODAY ☐ OTHER DATE:

INSTRUCTIONS TO CSW: Complete all information legibly. This referral is used to refer a client to (Name of Contractor) for on demand alcohol or drug testing. If you are on the field, give original to client to take to the collection site, instruct the client to hand this form to the collection site staff, and fax completed form to Name of Contractor at (Phone Number), as soon as you return to the office.

*** **Court Number will not be accepted.** Writing in the Court number will not allow CSWs to receive test results. The Hotline referral number is used only if the State Number is not available.

INSTRUCTIONS TO CLIENTS: Take this referral to the Collection Site and give it to the Collection Site staff.

If this referral is not complete or legible, contact your CSW or attorney immediately. You must present this referral when you report for testing. You also must present a valid picture ID each time you report for testing. Lack of picture ID will not allow you to test. If you wish to test at a different collection site, please contact your CSW or attorney. If you have any questions regarding your drug testing, please contact your CSW or attorney.

Los Angeles County – Department of Children and Family Services
DCFS ALCOHOL - DRUG ON DEMAND/ONE TIME ONLY TEST REFERRAL

☐ **ALCOHOL ONLY**
☐ **DRUGS ONLY**
☐ **DRUGS AND ALCOHOL**

ATTENTION: (Name of Contractor) Do not enroll the client mentioned below in the DCFS Alcohol-Drug Testing Random Schedule.

1. CLIENT INFORMATION

Note: Information requested in sections 1., 2., and 3., is ABSOLUTELY

MANDATORY

Client/Donor's Last Name	First Name	Donor's Birthdate	Donor's Social Security #. (If available)
DCFS Case # (7 digits) Hotline referral # (19 digits)	Case Name	Is Testing Court Ordered? Yes <input type="checkbox"/> No <input type="checkbox"/>	Referral Date
Name of Minor(s) in the case:			
IS THE DONOR A DIABETIC? (Diabetes might alter the alcohol test results) YES <input type="checkbox"/> NO <input type="checkbox"/>			
Is donor taking medication? Yes <input type="checkbox"/> No <input type="checkbox"/>	Indicate the names of the medications		

2. COLLECTION SITE INFORMATION

Name of Collection Site	Hours of Operation	
Street	City	Zip Code

3. CSW INFORMATION

CSW File #	Last Name	First Name	Phone Number
DCFS Office Name			

4. DATE FOR ON DEMAND TESTING

TODAY ☐ OTHER DATE:

INSTRUCTIONS TO CSW: Complete all information legibly. This referral is used to refer a client to (Name of Contractor) for on demand alcohol or drug testing **ONE TIME ONLY**. If you are in the field, give original to client to take to the collection site, instruct client to hand this referral to the collection site staff, and fax completed form to (Name of Contractor) at (Phone Number), as soon as you return to the office.

***** Court Number will not be accepted.** Writing in the Court number will not allow CSWs to receive test results. The Hotline referral number is used only if the State Number is not available.

INSTRUCTIONS TO CLIENTS: Take this referral to the Collection Site and give it to the Collection Site staff.

If this referral is not complete or legible, contact your CSW or attorney immediately. You must present this referral when you report for testing. You also must present a valid picture ID each time you report for testing. Lack of picture ID will not allow you to test. If you wish to test at a different collection site, please contact your CSW or attorney. If you have any questions regarding your drug testing, please contact your CSW or attorney.

ATTACHMENT N

**Los Angeles County – Department of Children and Family Services
DCFS ALCOHOL – DRUG TESTING SERVICES
NOTICE OF TERMINATION OF CLIENT FROM ALCOHOL - DRUG TESTING SERVICES**

ATTENTION: (Name of Contractor) : Please terminate the client mentioned below from the DCFS Alcohol and Drug Testing Service.

1. CLIENT INFORMATION **Note: Information requested in sections 1 and 2 is ABSOLUTELY MANDATORY**

Client/Donor's Last Name	First Name	Donor's Birth date	Donor's Social Security #. (If available)
DCFS Case # (7 digits) Hotline referral # (19 digits)	Case Name		
Name of Minor(s)			

2. CSW

CSW File #	Last Name	First Name	Phone Number
------------	-----------	------------	--------------

INSTRUCTIONS TO CSW: Please fax completed form to (Name of Contractor) at (Phone Number)
*** **Court Number will not be accepted.** Writing in the Court number will not allow CSWs to receive test results.
The Hotline referral number is used only if the State Number is not available.

DATE:

**CONTRACTOR'S EQUAL EMPLOYMENT OPPORTUNITY
(EEO) CERTIFICATION**

Contractor's Name

Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with the Section 4.32.010, County Code of the County of Los Angeles, the CONTRACTOR, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

Name of Firm

Name and Title

Authorized Signature

Date

LOS ANGELES COUNTY COMMUNITY BUSINESS ENTERPRISE (LAC/CBE) PROGRAM**FIRM/ORGANIZATION INFORMATION**

INSTRUCTIONS: All bidders/contractors responding to this solicitation must return this form for proper consideration of the proposal. The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR §23.5.

TYPE OF BUSINESS STRUCTURE: _____
(Corporation, Limited Liability Company, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF EMPLOYEES IN FIRM (including owners): _____

CULTURAL/ETHNIC COMPOSITION OF FIRM (Partners, Associate Partners, Managers, Staff, etc.). Please break down the above total number of employees into the following categories:

	OWNERS/PARTNERS/ ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American			
Hispanic/Latin American			
Asian American			
American Indian/Alaskan Native			
White			
<i>Based on the above categories, please indicate the total numbers of men and women in the firm:</i>			
Male			
Female			

PERCENTAGE OF OWNERSHIP IN FIRM Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latin American	Asian American	American Indian/ Alaskan Native	White
Men	%	%	%	%	%
Women	%	%	%	%	%

CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERANS BUSINESS ENTERPRISES Is your firm currently certified as a minority, women-owned, disadvantaged or disabled veterans business enterprise by a public agency? (If yes, complete the following and attach a copy of your notice of certification.)

M W D DV

Agency _____ — — — — — Expiration Date _____

Agency _____ — — — — — Expiration Date _____

Agency _____ — — — — — Expiration Date _____

Agency _____ — — — — — Expiration Date _____

LEGEND: M = Minority; W = Women; D = Disadvantaged; DV = Disabled Veterans

LAC/CBE SANCTIONS

It is the policy of the County of Los Angeles Board of Supervisors that it is unlawful for any person to knowingly submit fraudulent information with the intent of receiving CBE certification and its concurrent benefits for which they are not entitled.

This is to acknowledge that the undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, is fully aware of the following policy of the County of Los Angeles.

1. A person or business shall not:
 - a. Knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining, retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this article.
 - b. Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.
 - c. Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any county official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.
 - d. Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person or business in fraudulently obtaining or attempting to obtain, public moneys to which the person or business is not entitled under this article.
2. Any person or business who violates the above, shall be suspended from bidding on, or participating as contractor, subcontractor, or supplier in any County contract or project for a period of three years.
3. No County agency with the powers to award contracts shall enter into any contract with any person or business suspended for violating this section during the period of the person's or business' suspension. No awarding department shall award a contract to any contractor utilizing the services of any person or business as a subcontractor suspended for violating this section during the period of the person's or business suspension.

I acknowledge, that the undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, if any, is fully aware of the above policy of the County of Los Angeles and I declare under penalty of perjury that the foregoing Firm/Organization Information is true and correct.

Name of Firm

Name and Title

Authorized Signature

Date

**CONTRACT FOR
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES**

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.

PACIFIC TOXICOLOGY LABORATORIES
CONTRACTOR NAME

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

PACIFIC TOXICOLOGY LABORATORIES

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

POSITION: _____

**CONTRACT FOR
URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING SERVICES**

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT**

Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.

**PACIFIC TOXICOLOGY LABORATORIES
CONTRACTOR NAME**

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

PACIFIC TOXICOLOGY LABORATORIES

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

POSITION: _____